

Securities Note dated 5 July 2013



which may also be acting through its Guernsey branch:

Leonteq Securities AG, Guernsey Branch

European Issuance and Offering Programme

Securities Note

as part of the Tripartite Base Prospectus for Bonus Certificates, Reverse Convertibles, Barrier Reverse Convertibles, Express Certificates, Tracker Certificates, Open End Tracker Certificates, Discount Certificates and Certificates with unconditional minimum redemption

The tripartite base prospectus consists of (i) a summary (the "**Summary**") and a securities note (the "**Securities Note**"), each dated 5 July 2013 and (ii) the registration document of Leonteq Securities AG dated 24 June 2013, as supplemented from time to time (the "**Registration Document**") (all documents together the "**Tripartite Base Prospectus**"). The Tripartite Base Prospectus is a base prospectus relating to non-equity securities according to Art. 22 Para. 6 No. 4 of the Commission Regulation (EC) No. 809/2004 dated 29 April 2004, as lastly amended by Commission Regulation (EU) No. 486/2012 dated 30 March 2012 and Commission Regulation (EU) No. 862/2012 dated 4 June 2012 (the "**Prospectus Regulation**"). Competent authority for the approval of the Tripartite Base Prospectus pursuant to Section 6 and Section 13 of the German Securities Prospectus Act (the "**WpPG**") that implements Directive 2003/71/EC dated 4 November 2003, as lastly amended by Directive 2010/78/EU dated 24 November 2010 (the "**Prospectus Directive**") into German law is the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)*) (the "**Competent Authority**" or "**BaFin**"). It should, however, be noted that pursuant to Section 13 paragraph 1 of the WpPG the review by BaFin was limited to completeness of the Tripartite Base Prospectus (including coherence and comprehensibility of the presented information). In respect of the individual series of Products (as defined below) issued under the Tripartite Base Prospectus in case of public offerings and/or admission to trading on a regulated market final terms (the "**Final Terms**") will be filed with the Competent Authority. Any decision to purchase the Products should be made on a consideration of the Tripartite Base Prospectus as a whole (comprising the Summary, the Securities Note and the Registration Document) and including the Final Terms. The Final Terms will specify whether or not an application for listing or for trading by or on any listing authority, stock exchange or quotation system will be made.

The Tripartite Base Prospectus, together with the Swiss Listing Annex, constitutes an issuance programme pursuant to the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange AG

Application will be made to register the European Programme on the SIX Swiss Exchange AG. Products issued under this European Programme may be listed on the SIX Swiss Exchange AG and be admitted to trading on the platform of Scoach Switzerland Ltd and/or be included to trading on the Open Market of the Frankfurt Stock Exchange or any other exchange or quotation system. In respect of Products to be listed on the SIX Swiss Exchange AG, the Tripartite Base Prospectus, as supplemented by the Swiss Listing Annex, together with the Final Terms, as supplemented by any additional information required by applicable law or exchange regulations, constitute the complete listing prospectus within the meaning of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange AG.

Under the terms of its European Issuance and Offering Programme (the "**European Programme**"), Leonteq Securities AG, which may also be acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch, (the "**Issuer**") may from time to time issue certificates (the "**Certificates**") and notes (the "**Notes**") linked to any kind of underlying, i.e. shares, securities representing shares, indices, currency exchange rates, commodities, futures contracts, fixed rate instruments, derivative instruments, fund units and baskets thereof (the "**Products**").

No person is authorised to give any information or to make any representation not contained in or not consistent with the Tripartite Base Prospectus, the applicable Final Terms or any other information supplied in connection with the European Programme and, if given or made, such information or representation must not be relied upon as having been authorised or made by all or any of the Issuer, the Lead Manager or the Calculation Agent (as described in the applicable Final Terms).

Lead Manager
Leonteq Securities AG, Zurich, Switzerland

COSI[®] Collateral Secured Instruments – Investor Protection engineered by SIX.¹

¹ The relevant Final Terms will specify whether COSI will be applicable for the respective Products.

CONTENTS

<i>I. RISK FACTORS RELATING TO THE PRODUCTS.....</i>	<i>10</i>
1. Risk factors associated with all Products	10
2. Risk factors associated with certain types of Products	20
<i>Product No. 1. Risk factors applicable to Bonus Certificates with Cash Settlement.....</i>	<i>20</i>
<i>Product No. 2. Risk factors applicable to Bonus Certificates with potential Physical Settlement.....</i>	<i>20</i>
<i>Product No. 3. Risk factors applicable to Capped Bonus Certificates with Cash Settlement and with par value</i>	<i>20</i>
<i>Product No. 4. Risk factors applicable to Capped Bonus Certificates with Cash Settlement and without par value.....</i>	<i>21</i>
<i>Product No. 5. Risk factors applicable to Capped Bonus Certificates with potential Physical Settlement.....</i>	<i>22</i>
<i>Product No. 6. Risk factors applicable to Notes (Reverse Convertibles) with Cash Settlement</i>	<i>22</i>
<i>Product No. 7. Risk factors applicable to Notes (Reverse Convertibles) with potential Physical Settlement.....</i>	<i>23</i>
<i>Product No. 8. Risk factors applicable to Notes (Barrier Reverse Convertibles) with Cash Settlement</i>	<i>23</i>
<i>Product No. 9. Risk factors applicable to Notes (Barrier Reverse Convertibles) with potential Physical Settlement.....</i>	<i>24</i>
<i>Product No. 10. Risk factors applicable to Discount Certificates with Cash Settlement.....</i>	<i>24</i>
<i>Product No. 11. Risk factors applicable to Discount Certificates with potential Physical Settlement.....</i>	<i>25</i>
<i>Product No. 12. Risk factors applicable to Express Certificates with Cash Settlement and without par value</i>	<i>25</i>
<i>Product No. 13. Risk factors applicable to Express Certificates with Cash Settlement and with par value</i>	<i>26</i>
<i>Product No. 14. Risk factors applicable to Tracker Certificates with Cash Settlement</i>	<i>27</i>
<i>Product No. 15. Risk factors applicable to Open End Tracker Certificates with Cash Settlement.....</i>	<i>28</i>

<i>Product No. 16. Risk factors applicable to Express Certificates with potential Physical Settlement and with par value.....</i>	<i>30</i>
<i>Product No. 17. Risk factors applicable to Express Certificates with potential Physical Settlement and without par value.....</i>	<i>31</i>
<i>Product No. 18. Risk factors applicable to Inverse Discount Certificates with Cash Settlement</i>	<i>33</i>
<i>Product No. 19. Risk factors applicable to Master Discount Certificates with Cash Settlement.....</i>	<i>33</i>
<i>Product No. 20. Risk factors applicable to Express Certificates with Cash Settlement and and with par value and unconditional minimum redemption.....</i>	<i>33</i>
<i>Product No. 21. Risk factors applicable to Express Certificates with Cash Settlement and with par value and with Downside Participation Factor</i>	<i>35</i>
<i>Product No. 22. Risk factors applicable to Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts</i>	<i>36</i>
<i>Product No. 23. Risk factors applicable to Certificates with Cash Settlement and with par value and with unconditional minimum redemption</i>	<i>37</i>
<i>Product No. 24. Risk factors applicable to Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption.....</i>	<i>38</i>
3. Risk factors associated with certain types of Underlyings	39
4. Risk factors associated with conflicts of interest between Leonteq Securities AG and Holders	46
II. INFORMATION ABOUT THE PRODUCTS.....	49
1. General information about the Products.....	49
(a) Interest of individuals or legal entities involved in the issue.....	49
(b) Description of the Products.....	49
(c) Applicable law.....	49
(d) Currency of the Products	49
(e) Form, delivery	49
(f) Description of the rights attached to the Products and consequences of market disruptions.....	51

(g) <i>Ranking of the Products</i>	52
(h) <i>Resolutions in respect of the issue of the Products</i>	52
(i) <i>Use of proceeds from the sale of the Products</i>	52
(j) <i>Conditions of the offer, issue price, issue date, commissions and valuation</i>	52
(k) <i>Pricing of the Products and factors influencing the price of the Products</i>	53
(l) <i>Listing and trading</i>	53
2. Explanation of mechanism of Products	54
<i>Product No. 1. Explanation of mechanism of Bonus Certificates with Cash Settlement</i>	54
<i>Product No. 2. Explanation of mechanism of Bonus Certificates with potential Physical Settlement</i>	54
<i>Product No. 3. Explanation of mechanism of Capped Bonus Certificates with Cash Settlement and with par value</i>	55
<i>Product No. 4. Explanation of mechanism of Capped Bonus Certificates with Cash Settlement and without par value</i>	55
<i>Product No. 5. Explanation of mechanism of Capped Bonus Certificates with potential Physical Settlement</i>	56
<i>Product No. 6. Explanation of mechanism of Notes (Reverse Convertibles) with Cash Settlement</i>	56
<i>Product No. 7. Explanation of mechanism of Notes (Reverse Convertibles) with potential Physical Settlement</i>	57
<i>Product No. 8. Explanation of mechanism of Notes (Barrier Reverse Convertibles) with Cash Settlement</i>	57
<i>Product No. 9. Explanation of mechanism of Notes (Barrier Reverse Convertibles) with potential Physical Settlement</i>	58
<i>Product No. 10. Explanation of mechanism of Discount Certificates with Cash Settlement</i>	59
<i>Product No. 11. Explanation of mechanism of Discount Certificates with potential Physical Settlement</i>	59
<i>Product No. 12. Explanation of mechanism of Express Certificates with Cash Settlement and without par value</i>	59

<i>Product No. 13. Explanation of mechanism of Express Certificates with Cash Settlement and with par value</i>	<i>60</i>
<i>Product No. 14. Explanation of mechanism of Tracker Certificates with Cash Settlement.....</i>	<i>62</i>
<i>Product No. 15. Explanation of mechanism of Open End Tracker Certificates with Cash Settlement</i>	<i>62</i>
<i>Product No. 16. Explanation of mechanism of Express Certificates with potential Physical Settlement and with par value</i>	<i>63</i>
<i>Product No. 17. Explanation of mechanism of Express Certificates with potential Physical Settlement and without par value</i>	<i>64</i>
<i>Product No. 18. Explanation of mechanism of Inverse Discount Certificates with Cash Settlement...</i>	<i>65</i>
<i>Product No. 19. Explanation of mechanism of Master Discount Certificates with Cash Settlement ...</i>	<i>65</i>
<i>Product No. 20. Explanation of mechanism of Express Certificates with Cash Settlement and with par value and unconditional minimum redemption</i>	<i>66</i>
<i>Product No. 21. Explanation of mechanism of Express Certificates with Cash Settlement and with par value and with Downside Participation Factor</i>	<i>67</i>
<i>Product No. 22. Explanation of mechanism of Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts.....</i>	<i>68</i>
<i>Product No. 23. Explanation of mechanism of Certificates with Cash Settlement and with par value and with unconditional minimum redemption.....</i>	<i>68</i>
<i>Product No. 24. Explanation of mechanism of Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption.....</i>	<i>69</i>
3. Collateralisation (COSI)	70
III. TERMS AND CONDITIONS.....	76
1. Issue Specific Conditions.....	77
Part A. Product Specific Conditions	77
<i>Product Specific Conditions in the case of Bonus Certificates with Cash Settlement (Product No. 1)</i>	<i>77</i>
<i>Product Specific Conditions in the case of Bonus Certificates with potential Physical Settlement (Product No. 2).....</i>	<i>99</i>

<i>Product Specific Conditions in the case of Capped Bonus Certificates with Cash Settlement and with par value (Product No. 3)</i>	<i>121</i>
<i>Product Specific Conditions in the case of Capped Bonus Certificates with Cash Settlement and without par value (Product No. 4)</i>	<i>143</i>
<i>Product Specific Conditions in the case of Capped Bonus Certificates with potential Physical Settlement (Product No. 5)</i>	<i>165</i>
<i>Product Specific Conditions in the case of Notes (Reverse Convertibles) with Cash Settlement (Product No. 6)</i>	<i>187</i>
<i>Product Specific Conditions in the case of Notes (Reverse Convertibles) with potential Physical Settlement (Product No. 7)</i>	<i>207</i>
<i>Product Specific Conditions in the case of Notes (Barrier Reverse Convertibles) with Cash Settlement (Product No. 8)</i>	<i>228</i>
<i>Product Specific Conditions in the case of Notes (Barrier Reverse Convertibles) with potential Physical Settlement (Product No. 9)</i>	<i>249</i>
<i>Product Specific Conditions in the case of Discount Certificates with Cash Settlement (Product No. 10)</i>	<i>270</i>
<i>Product Specific Conditions in the case of Discount Certificates with potential Physical Settlement (Product No. 11)</i>	<i>291</i>
<i>Product Specific Conditions in the case of Express Certificates with Cash Settlement and without par value (Product No. 12)</i>	<i>312</i>
<i>Product Specific Conditions in the case of Express Certificates with Cash Settlement and with par value (Product No. 13)</i>	<i>336</i>
<i>Product Specific Conditions in the case of Tracker Certificates with Cash Settlement (Product No. 14)</i>	<i>360</i>
<i>Product Specific Conditions in the case of Open End Tracker Certificates with Cash Settlement (Product No. 15)</i>	<i>383</i>
<i>Product Specific Conditions in the case of Express Certificates with potential Physical Settlement and with par value (Product No. 16)</i>	<i>406</i>
<i>Product Specific Conditions in the case of Express Certificates with potential Physical Settlement and without par value (Product No. 17)</i>	<i>431</i>

<i>Product Specific Conditions in the case of Inverse Discount Certificates with Cash Settlement (Product No. 18).....</i>	<i>456</i>
<i>Product Specific Conditions in the case of Master Discount Certificates with Cash Settlement (Product No. 19).....</i>	<i>477</i>
<i>Product Specific Conditions in the case of Express Certificates with Cash Settlement and with par value and unconditional minimum redemption (Product No. 20)</i>	<i>498</i>
<i>Product Specific Conditions in the case of Express Certificates with Cash Settlement and with par value and with Downside Participation Factor (Product No. 21)</i>	<i>522</i>
<i>Product Specific Conditions in the case of Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts (Product No. 22).....</i>	<i>546</i>
<i>Product Specific Conditions in the case of Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 23).....</i>	<i>567</i>
<i>Product Specific Conditions in the case of Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 24).....</i>	<i>587</i>
<i>Part B. Underlying Specific Conditions</i>	<i>610</i>
<i>Underlying Specific Conditions in the case of Products linked to Shares as Underlying or as a Basket Component</i>	<i>610</i>
<i>Underlying Specific Conditions in the case of Products linked to an Index as Underlying or as a Basket Component.....</i>	<i>618</i>
<i>Underlying Specific Conditions in the case of Products linked to a Security representing shares as Underlying or as a Basket Componen</i>	<i>624</i>
<i>Underlying Specific Conditions in the case of Products linked to a Commodity as Underlying or as a Basket Component.....</i>	<i>634</i>
<i>Underlying Specific Conditions in the case of Products linked to a currency exchange rate as Underlying or as a Basket Component</i>	<i>639</i>
<i>Underlying Specific Conditions in the case of Products linked to a futures contract as Underlying or as a Basket Component.....</i>	<i>646</i>
<i>Underlying Specific Conditions in the case of Products linked to a fixed rate or derivative instrument as Underlying or as a Basket Component.....</i>	<i>651</i>

<i>Underlying Specific Conditions in the case of Products linked to a share in an exchange traded Fund as Underlying or as a Basket Component.....</i>	<i>658</i>
<i>Underlying Specific Conditions in the case of Products linked to an unlisted Fund Unit as Underlying or as a Basket Component</i>	<i>668</i>
2. General Conditions	676
a) General Conditions for Products governed by German law	676
b) General Conditions for Products governed by Swiss law	682
ANNEX TO THE TERMS AND CONDITIONS FRAMEWORK AGREEMENT FOR COLLATERAL SECURED INSTRUMENTS	686
<i>IV. TAXATION.....</i>	<i>687</i>
1. General	687
2. German Taxation	687
3. United Kingdom Taxation	688
4. French Taxation	689
5. Swiss Taxation.....	690
<i>V. SELLING RESTRICTIONS</i>	<i>694</i>
<i>VI. FORM OF FINAL TERMS.....</i>	<i>699</i>
<i>VII. GENERAL INFORMATION.....</i>	<i>764</i>
1. Responsibility statement	764
2. Availability of the Tripartite Base Prospectus	764
3. Information from third parties	764
4. Rating	764
5. Consent to use the Prospectus.....	764
<i>ANNEX: FRAMEWORK AGREEMENT FOR COLLATERAL SECURED INSTRUMENTS.....</i>	<i>766</i>
<i>SIGNATURES.....</i>	<i>U-1</i>

I. RISK FACTORS RELATING TO THE PRODUCTS

Prospective purchasers of the Products which are the subject of the Tripartite Base Prospectus or the Final Terms should consider the following risk factors described herein which are material to assess the risks associated with the Products when making an investment decision and should make such decision only on the basis of the Tripartite Base Prospectus as a whole (comprising the Summary, the Securities Note and the Registration Document) and including the Final Terms.

No one should acquire Products without a thorough understanding of the mechanics of the relevant Products and without being aware of the potential risk of loss. Any prospective purchaser of Products should carefully examine whether an investment in the Products is appropriate given his personal circumstances and financial situation and should consult a financial advisor to discuss any questions.

The risk factors herein are organised into the following sub-sections:

1. Risk factors associated with all Products
2. Risk factors associated with certain types of Products
3. Risk factors associated with certain types of Underlyings
4. Risk factors associated with conflicts of interest between Leonteq Securities AG and Holders

1. Risk factors associated with all Products

The Products are highly risky instruments to invest in. When investing in the Products there is a risk of loss of the invested capital including the related transaction costs. Under certain circumstances it is even possible that the investor may lose all of the capital invested including the related transaction costs.

Prospective investors must decide for themselves whether the Products are a suitable investment for them given their personal circumstances and financial situation. In particular, prospective investors should

- possess sufficient know-how and sufficient experience in order to adequately assess the Products and the risks associated with an investment therein as well as the information contained in the Tripartite Base Prospectus, any supplements thereto and the respective Final Terms and/or information incorporated by reference into the foregoing documents;
- possess sufficient financial resources and liquidity in order to bear all risks associated with an investment in the Products and also, in the extreme case, a total loss of the capital invested;
- understand the Final Terms of the Products in detail and be familiar with the behaviour of the financial markets; and

I. RISK FACTORS RELATING TO THE PRODUCTS

- be in a position to assess the possible consequences of economic effects and other factors that may affect the value of the investment (either alone or with the aid of a financial advisor) and to bear the risks associated herewith.

The Products are risky investment instruments. Compared to other capital investments, the risk of loss – up to the total loss of the invested capital as well as the related transaction costs – is high.

The Products confer the right of the Holders to receive payment of a redemption amount at maturity of the Products and payment of coupon amounts (provided the Terms and Conditions stipulate such coupon payment) and/or to receive the underlying or a basket component or a reference security related to the underlying or to the basket component (provided the Terms and Conditions stipulate redemption by physical settlement). Claims for delivery of definitive securities are precluded.

The calculation of the redemption amount payable or, in the case of Products with redemption by physical settlement, the number of the Underlying to be delivered at maturity and, if and to the extent that the Products have a variable interest rate, the coupon amounts, may depend on the performance of an underlying during the term. Furthermore, the Products can also relate to a comparison between the performance of multiple basket components contained in one basket.

This means that there is a connection between the economic value of the Products and the economic value of the underlying to which the Products relate. A Product will regularly fall in value (i.e. not taking into account other features and factors relevant for the pricing of Products) if the price of the underlying falls. However, Products can also be designed such that a Product (not taking into account other features and factors relevant for the pricing of Products) falls in value if the price of the underlying rises.

Investors should be aware that there may not be a direct relationship between the market value of the Products and the current price of the underlying. Positive changes in the price of the underlying do not necessarily lead to a change in the market value of the Product which is positive for the investor. A depreciation of the Product moreover may even occur if the relevant price of the underlying remains constant. Investors should note that changes in the price of the underlying (or even a situation where an expected price change does not occur) can reduce the value of the Products to a disproportionately high extent and even render them worthless, unless the Products provide for an unconditional minimum redemption amount. In particular, it is not safe to assume that the price of the Products will recover in time in view of the limited life of the Products. There is then the risk of losing **some or all of the capital invested including related transaction costs**. This risk exists regardless of the financial strength of the Issuer.

The Products do not, unless expressly provided, yield any current income and especially do not confer any claim to receive dividend payments.

A Product does not confer any claim to receive dividend payments and therefore, without prejudice to any coupon payments, does not yield any current income. This means that potential losses in value of the Product normally cannot be compensated by current income generated by the Product.

The investor's individual return depends significantly on the purchase price paid for the Product and the performance of the Product. The risk of losses already exists during the term of a Product.

The performance of the Products, the value of the redemption amount and – in the case of Products with the possibility of physical settlement – the form of settlement are yet to be determined when issuing the Products. The investor's individual return depends significantly on the purchase price paid for the Product and the performance of the Product. The risk of losses already exists during the term of a Product. Even during the term the value of a Product can be lower than the invested purchase price. If the underlying develops in a direction that is unfavourable for the investor, the investor should not rely on the underlying and thus, the value of the Products then developing in the opposite direction. The investor should rely even less on such expectation if the term of the Product is limited, since the underlying would have to recover by the final fixing date in order to avoid a loss being incurred by the investor.

The Products may be physically settled and investors will not receive a monetary amount. There is a risk that the delivered Underlying, respective basket component or reference securities may only have a very low value or may, in fact, be worthless. In this case, there is a risk of losses – up to the total loss of the invested capital as well as the related transaction costs. Furthermore, investors bear the issuer and securities risks of the deliverable Underlying.

If redemption of the Products by physical settlement is stipulated in the Terms and Conditions, investors should consider that upon maturity of the Products the delivery of the underlying or of a basket component may be effected instead of the payment of a monetary amount or, in the case of underlyings or basket components that cannot be delivered (e.g. indices), the delivery of reference securities in respect of the underlying or a basket component. Investors should therefore note that in the case of redemption of the Products by way of delivery they will not receive a monetary amount, but possibly a right in the securities concerned that is transferable in accordance with the terms and conditions of the respective security depositary system. Here the number of units of the underlying or a basket component or the reference securities to be delivered is determined by the conversion ratio of the Products or the conversion ratio of the basket component.

In such a case, since investors will be exposed to the specific issuer and securities risks associated with the underlying or basket component or reference security to be delivered, when purchasing the Products they should acquaint themselves with the underlying or basket component or reference security potentially to be delivered. Investors should therefore not assume that the underlying or basket component or reference security to be delivered after redemption of the Products can be sold at a specific price, in particular not at a price equivalent to the capital used to purchase the Products. In certain circumstances the delivered underlying or basket component or reference security may only have a very low value or may in fact be worthless. In this case the investor runs the risk of losing all of the capital used to purchase the Products (including related transaction costs).

Investors should therefore consider that any fluctuations in the price of the underlying or in the price of the basket component or reference security after the end of the term of the Products will be borne by the Holders until the respective actual delivery. Losses in the value of the underlying or basket component or reference security to be delivered may occur after the end of the term and are to be borne by the Holder.

This means that the actual gain or loss can only be determined after delivery of the underlying or the basket component or the reference security.

If the share to be delivered is a registered share, investors should consider that the rights associated with the shares (e.g. participation in the general meeting, exercise of voting rights, etc.) can generally only be exercised by shareholders who are registered in the share register or a comparable official list of shareholders of the company. The obligation of the Issuer to deliver shares is limited to provision of the shares effected with the characteristics and in the form that allow delivery via an exchange and does not cover registration in the share register or list of shareholders. Any claims due to non-fulfilment, in particular rescission or damage claims, are excluded in such cases.

Lastly, it should be noted that should the delivery of the underlying or of the basket component or of the reference security, for whatever reason, be economically or actually impeded or not possible, the Issuer shall then have the right to pay a compensation amount in lieu of delivery of the underlying or the basket component or the reference security.

Investors bear the credit risk of the Issuer of the Products. The Products are neither secured nor guaranteed by any deposit protection fund or any governmental agency.

Investors are exposed to the risk of deterioration of the Issuer's financial situation.

Investors bear the credit risk of the Issuer of the Products. In the case of unsecured Products, the Products are unsecured and unsubordinated obligations of the Issuer and shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any obligations for the time being preferred by applicable law and any subordinated obligations. In the case collateralized Products, the Products constitute general contractual obligations of the Issuer and are collateralized in accordance with the Terms and Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.

In the event of the insolvency of the Issuer, investors in the Products may lose their claim to repayment of the capital invested by them in whole or in part. In the event of the insolvency of the Issuer, any payment claims under the Products are neither secured nor guaranteed by any deposit protection fund or any governmental agency.

The collateralization in accordance with the terms of the SIX Swiss Exchange AG «Framework Agreement for Collateral Secured Instruments» (COSI) reduces the issuer default risk only to the extent that the proceeds from the liquidation of collateral are able to meet the investors' claims. To the extent the calculation of the current value of a COSI Product proves to be incorrect, the collateral provided for the COSI Product may be insufficient.

In the case of collateralized Products it should be noted that collateralized Products ("COSI Products") are collateralized in accordance with the terms of the SIX Swiss Exchange AG «Framework Agreement for Collateral Secured Instruments». The Issuer (the "Collateral Provider") undertakes to secure the value of the COSI Products at any given time as well as the further claims listed in the Framework

I. RISK FACTORS RELATING TO THE PRODUCTS

Agreement. Security must be provided to SIX Swiss Exchange AG in the form of a regular right of lien under Swiss law. The collateral is booked to a SIX Swiss Exchange AG account with SIX SIS AG. Investors do not themselves have a surety right to the collateral.

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a liquidation event (less the costs of liquidation and payout) are able to meet the investors' claims.

The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Products rises or the value of the collateral decreases; (ii) in a liquidation event, the collateral cannot be liquidated immediately by SIX Swiss Exchange AG because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Products in a foreign currency according to the Framework Agreement may result in losses for the investor because the current value to be determined for each COSI Product (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Products.

The costs for the service provided by SIX Swiss Exchange AG with respect to the collateralization of COSI Products may be taken into account in pricing a COSI Product and may therefore be borne by the investors, as the case may be.

With regard to the payment of the pro-rata share of the net realization proceeds the investor shall bear the solvency risks of SIX Swiss Exchange AG and the financial intermediaries along the payout chain.

The payment to the investors may be delayed for factual or legal reasons.

To the extent the calculation of the current value of a COSI Product proves to be incorrect, the collateral provided for the COSI Product may be insufficient.

Apart from the primary listing of the COSI Products on SIX Swiss Exchange AG the issuer may apply for a listing or admission to trading on one or more secondary exchanges. All aspects and events related to a listing or admission to trading of the COSI Products on a secondary exchange shall be disregarded under the Framework Agreement. In particular, events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange AG is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a listing or admission to trading of the COSI

I. RISK FACTORS RELATING TO THE PRODUCTS

Products on a secondary exchange is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

Investors should consider that price movements of the Underlying (or the non-occurrence of an expected price movement) may decrease the value of the Products disproportionately and even render them worthless and that there is no assurance that in the case of Products with a limited term, the price of the Product will recover in time.

The prices of the Products are determined based on various factors during their term. In addition to the term of the Products and the redemption amount to be paid as well as the value of any interest granted which may depend on the performance of the underlying, other factors include the creditworthiness of the Issuer in particular.

The Products can be traded on or off-exchange throughout their term. However, the price of the Products is not determined according to the principle of supply and demand, since the intention is that the Issuer, the Lead Manager or a third party, as the case may be, will in its function as Market Maker quote independently calculated bid and offer prices for the Products on the secondary market. This price calculation is performed on the basis of customary pricing models in which the theoretical value of the Products is basically determined on the basis of the value of the underlying and other adjustable parameters. The other parameters may include derivative components, expected income from the underlying (e.g. dividends), interest rates, the term or remaining term of the Product, the volatility of the underlying and the supply and demand situation for hedging instruments. These or other value-determining parameters may lead to a depreciation in value of the Product, even if during the term the underlying develops favourably for the investor (regarding the determination of the selling price, see also "Conflicts of interest related to the determination of the selling price of the Products and commission payments" in Section I.4 of the Securities Note).

Investors should be aware that they may not be able to hedge their exposure from the Products.

Investors should not rely on their ability to engage in transactions during the term of the Products that will exclude or limit their initial risk. This ability depends on the market conditions and the terms of the Products. Under certain circumstances, it is possible that such transactions can only be executed by investors at unfavourable market prices with the result that the investors may suffer a loss.

A credit financing of the acquisition of Products significantly increases the risk of loss to investors.

Investors should note that if their purchase of Products is financed by loans, they will not only incur the losses if their expectations are not realised but will also have to repay the loan and pay interest. This increases the loss risk considerably. Thus, investors should not rely on their ability to repay the loan or pay the interest from the returns on the Products. Instead, investors should examine their financial situation in advance to determine their ability to make interest and loan repayments, if necessary at short notice, in the event that losses are incurred rather than the expected returns.

I. RISK FACTORS RELATING TO THE PRODUCTS

Hedging transactions of the Issuer or companies affiliated with him may have a significant effect on the price performance of the Underlying and may thus cause a breach of certain thresholds.

Fluctuations in the price of the underlying and consequently the Products may among other things be attributed to the fact that the Issuer or its respective affiliates conduct significant volumes of hedging or other types of large transactions in or relating to the underlying. Investors should also note in this respect that, especially in unfavourable conditions (e.g. low liquidity of the underlying), such transactions can have a significant impact on the value of the underlying and/or of the components contained therein and thus on the price of the Products, the level of any redemption amount as well as – in the case of Products which may stipulate a redemption by way of delivery – on the type of redemption and possibly lead to certain barrier levels stipulated in the Terms and Conditions being exceeded or fallen short of.

Fees and other transactions costs reduce the chances of the Investor generating a profit from the purchase of the Product.

Commission and other transaction costs which are incurred when buying or selling Products may, especially in conjunction with a low contract value, result in cost burdens which may reduce any returns expected from the Product. Therefore, before purchasing a Product investors should obtain information regarding all costs arising when purchasing and selling the Product.

Investors are exposed to the risk of wrong expectation with respect to the Products' liquidity due to the issue size mentioned in the Final Terms.

The specified size of the offer represents the maximum amount of the Products being offered but does not give any indication as to the volume of the Products being effectively issued. This volume is determined according to the market conditions and may change during the term of the Products. Therefore, investors should note that it is not possible to predict the liquidity of the Products in the secondary market based on the specified size of the offer.

Investors in listed Products or in Products linked to listed underlyings and/or basket components are subject to risks arising from any eventual suspension from trading or de-listing from the relevant exchange for reasons not attributable to the Issuer and the Lead Manager and this might have material adverse effects on the value of the Products.

In the case of listed Products or Products linked to listed underlyings and/or basket components investors should note that applicable exchange rules may stipulate specific rules on permitted underlying of derivatives, including structured products.

It cannot be excluded that during the lifetime of the Product, the underlying and/or the respective basket component is suspended from trading on or de-listed from the relevant exchange, reference market or quotation system for reasons not attributable to the Issuer. In case the underlying and/or the respective basket component of a Product is suspended from trading or de-listed, this might have material adverse effects on the value and tradability of the Product and/or, among other possible consequences, might also lead to the suspension or de-listing of the Product.

In addition, it cannot be excluded that the Products may be suspended from trading on or de-listed from the relevant exchange or quotation system during the lifetime of the respective Product for other reasons.

I. RISK FACTORS RELATING TO THE PRODUCTS

The Products may have no liquidity or the market for such Products may be limited and this may adversely impact their value or the ability of the Investor to dispose of them.

Investors should note that the procurement of price information regarding the Products is impeded if the Products are not or are no longer listed or traded on an exchange. Moreover, the liquidity of the Products may be diminished. Restrictions in respect of the purchase and/or sale of the Products in some jurisdictions may also have an impact on the liquidity of the Products.

Market disruptions, adjustment measures and termination rights may negatively affect the value of the Products.

Pursuant to the Terms and Conditions, the Issuer and/or the Calculation Agent may determine that a market disruption event has occurred or exists at a certain time. Such an event or the resulting postponement of a date on which the Issuer and/or the Calculation Agent is to establish a price relevant for the Products can impair the value of the Products and/or delay the settlement of the Products or calculations in respect of the underlying and in certain circumstances entitle the Issuer and/or the Calculation Agent to estimate the relevant price of the underlying.

Adjustments will be made in accordance with the Terms and Conditions. In the event of adjustments relating to the underlying it cannot be ruled out that the estimates on which an adjustment was based turn out to be incorrect and that the adjustment turns out to be unfavourable for the investor at a later stage and that due to the adjustment the investor may be in a financially worse position than before an adjustment or than he would be in as a result of a different adjustment.

Prospective investors should review the Terms and Conditions as to whether and in what way such provisions apply to the Products and what is considered to be a market disruption event or relevant adjustment event.

In certain circumstances the Issuer has the right of extraordinary termination of the Products. In this case Investors will receive a reasonable market price determined in the reasonable discretion of the Issuer.

The Issuer may have the right of extraordinary termination in certain circumstances stipulated in the Terms and Conditions of the relevant Final Terms, for example if an adjustment is not possible or upon occurrence of an Additional Termination Event pursuant to the Terms and Conditions. If the Issuer exercises this right of extraordinary termination at short notice, the Holder may no longer be able to sell the Products on the secondary market. If it should exercise such right, the Issuer will redeem the Products at a reasonable market price determined in its reasonable discretion, i.e. in the event of an extraordinary termination there will be no right to payment of any amount provided for in the Terms and Conditions to be calculated on the basis of a redemption formula at the end of the term or for payment of a specified unconditional minimum redemption amount. In this case there is a reinvestment risk. Reinvestment risk means that the investor may only be able to reinvest the amount to be paid by the Issuer in the event of an extraordinary termination on more unfavourable market terms compared with those existing when the Product was purchased. Furthermore investors bear the risk that their expectations with respect to an increase in the value of the Products can no longer be satisfied due to the early termination of the Products.

I. RISK FACTORS RELATING TO THE PRODUCTS

Corrections, supplements or modifications of the Conditions may be detrimental for Investors.

Investors should note that in certain cases specified in the Terms and Conditions the Issuer is entitled to correct, change or amend provisions in the Terms and Conditions. In this regard it has to be considered that such correction, change or amendment of a provision in the Terms and Conditions may be disadvantageous for the investor compared with the originally stipulated provision.

Investors are subject to the risk that events which could have a negative impact on the price of the underlying are published after preparation of the Final Terms.

The information on the underlying contained in the Final Terms consists of extracts or summaries of information relating to the underlying which was publicly available at the time of preparation of the Final Terms. The Issuer does not represent or warrant that all the events which could influence the price of the underlying (and thus the price of the Product) have been publicly announced. If such events are published later or if material future events are published or not published, it cannot be ruled out that such events will have a negative impact on the price of the underlying (and thus on the price of the Product).

Changes in Tax Law could adversely affect the value and/or the market value of the Products or may change the tax treatment of the relevant Products.

Investors should note that it cannot be excluded that the tax regime applicable to the Products may be changed, also in a manner not foreseeable at the time the Products are issued. A risk of changes in the tax treatment of the Products exists for all relevant jurisdictions. Any statements made in the Tripartite Base Prospectus regarding the tax treatment of the Products only relate to the purchase of the Products immediately after the issue (primary purchase). Both in the case of primary purchase and if investors purchase the Products later, they should therefore seek advice from a tax advisor about the tax effects in connection with the purchase, holding, exercising or the sale of the Products prior to the purchase. Furthermore, it cannot be excluded that the tax authorities may come to a different conclusion than the Issuer regarding tax treatment when interpreting and applying the relevant tax rules to the investor's investment in the Products.

Holders should note that in the case of a subscription period the Issuer reserves the right to end the subscription period early or to extend it and that the Issuer is not obliged to accept subscription applications or to issue subscribed Products.

The applicable Final Terms may provide for the Products to be offered during a particular subscription period. Holders should note in this case that the Issuer reserves the right to end the subscription period early or to extend it. In the case of an early ending or an extension of the subscription period, the Initial Valuation Date, as the case may be, which determines certain characteristics of the Products, may be postponed along with the Issue Date. The Issuer is not obliged to accept subscription applications. Partial allocations are possible (in particular in the event of oversubscription). The Issuer is not obliged to issue subscribed Products.

I. RISK FACTORS RELATING TO THE PRODUCTS

Where payments under the Products will be made in a currency which is different from the currency of the Underlying, the Investors are exposed also to the performance of the currency of the Underlying, which cannot be predicted. A currency risk also exists if the account of the investor to which any amount owed is to be credited to is managed in a currency different from the settlement currency of the Product.

If the Products represent a claim that is calculated with reference to a foreign currency, currency unit or unit of account or if the price of the underlying or the basket component(s), as the case may be, is determined in a foreign currency, currency unit or unit of account, the investor's risk of loss not only depends on the development of the value of the underlying or the basket component(s), as the case may be, but also on adverse movements in the value of the foreign currency, currency unit or unit of account. Such developments may additionally increase your risk of loss when

- (i) an unfavourable development in the currency exchange rate concerned results in the value of the purchased Products decreasing accordingly during their term, or
- (ii) the level of the redemption amount possibly to be received on maturity decreases accordingly.

A currency risk also exists if the account of the investor to which any amount owed is to be credited to is managed in a currency different from the settlement currency of the Product and the relevant amount is being converted into the respective currency of the account.

Exchange rates are determined by supply and demand factors on international foreign exchange markets, which are subject to economic factors, speculation and actions by governments and central banks (such as currency controls or restrictions).

If an amount in respect of FATCA withholding tax were to be deducted or withheld from interest, principal or other payments on the Products as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions, be required to pay additional amounts as a result of the deduction or withholding of such tax.

Under Section 1471 through 1474 of the U.S. Internal Revenue Code, as amended and the regulations promulgated thereunder ("FATCA"), the Issuer may, under certain circumstances, be required by FATCA to withhold U.S. tax at a rate of 30 per cent. on all or a portion of payments of principal and interest on the Products which are treated as "passthru payments" made to foreign financial institutions unless such foreign financial institution payee complies with applicable FATCA reporting requirements. The U.S. Internal Revenue Service indicates that such withholding will only be imposed on payments after 31 December 2016 in respect of Products issued after 31 December 2012.

If an amount in respect of FATCA withholding tax were to be deducted or withheld from interest, principal or other payments on the Products as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions, be required to pay additional amounts as a result of the deduction or withholding of such tax.

2. Risk factors associated with certain types of Products

Product No. 1. Risk factors applicable to Bonus Certificates with Cash Settlement

Risk of total loss in the case of a Barrier Event

Investors should note that if a Barrier Event has occurred the claim to the minimum redemption expires and the Bonus Certificate is comparable with a direct investment in the underlying (irrespective of dividend payments). In this case the investor will be exposed to the risk of a **total loss** of the invested capital including the related transaction costs, arising, if the Final Fixing Level of the underlying is zero (0).

An important determinant for the probability of the occurrence of a Barrier Event is the volatility of the Underlying. The term "**Volatility**" means the fluctuation margin or price movements of the Underlying. The higher the volatility of an Underlying, the higher the risk to the Holder that the Barrier will be broken. An increasing probability of a Barrier break tends to result in a declining price of the Product.

Product No. 2. Risk factors applicable to Bonus Certificates with potential Physical Settlement

Risk of total loss in the case of a Barrier Event

Investors should note that if a Barrier Event has occurred the claim to the minimum redemption expires and the Products provide for a physical delivery of the Underlying. In this case the investor will be exposed to the risk of a **total loss** of the invested capital including the related transaction costs, arising, if the Underlying is worthless at the end of the term of the Product.

An important determinant for the probability of the occurrence of a Barrier Event is the volatility of the Underlying. The term "**Volatility**" means the fluctuation margin or price movements of the Underlying. The higher the volatility of an Underlying, the higher the risk to the Holder that the Barrier will be broken. An increasing probability of a Barrier break tends to result in a declining price of the Product.

Product No. 3. Risk factors applicable to Capped Bonus Certificates with Cash Settlement and with par value

Risk of total loss in the case of a Barrier Event

Investors should note that if a Barrier Event has occurred the claim to the minimum redemption expires and the Capped Bonus Certificate is comparable with a direct investment in the underlying (irrespective of dividend payments). In this case the investor will be exposed to the risk of a **total loss** of the invested capital including the related transaction costs, arising, if the Underlying is worthless at the end of the term of the Product.

An important determinant for the probability of the occurrence of a Barrier Event is the volatility of the Underlying and/or the Basket Components. The term "**Volatility**" means the fluctuation margin or price movements of the Underlying and/or the Basket Components. The higher the volatility of an Underlying and/or the Basket Components, the higher the risk to the Holder that the (respective) Barrier will be broken. An increasing probability of a Barrier break tends to result in a declining price of the Product.

Redemption Amount is limited to Maximum Redemption Amount

Irrespective of whether or not a Barrier Event has occurred, the Redemption Amount will not exceed the Maximum Redemption Amount. This means that the Holder does not participate in a price movement of the Underlying above the Cap Level, with the result that the possible yield on Capped Bonus Certificate has an upper limit.

Product No. 4. Risk factors applicable to Capped Bonus Certificates with Cash Settlement and without par value

Risk of total loss in the case of a Barrier Event

Investors should note that if a Barrier Event has occurred and, if provided for in the Final Terms, the Final Fixing Level reaches or falls below the Initial Fixing Level multiplied by the Bonus Level the claim to the minimum redemption expires and the Capped Bonus Certificate is comparable with a direct investment in the underlying (irrespective of dividend payments). In this case the investor will be exposed to the risk of a **total loss** of the invested capital including the related transaction costs, arising, if the Final Fixing Level of the underlying is zero (0).

An important determinant for the probability of the occurrence of a Barrier Event is the volatility of the Underlying. The term "**Volatility**" means the fluctuation margin or price movements of the Underlying. The higher the volatility of an Underlying, the higher the risk to the Holder that the Barrier will be broken. An increasing probability of a Barrier break tends to result in a declining price of the Product.

Redemption Amount is limited to Maximum Redemption Amount

Irrespective of whether or not a Barrier Event has occurred, the Redemption Amount will not exceed the Maximum Redemption Amount. This means that the Holder does not participate in a price movement of the Underlying above the Cap Level, with the result that the possible yield on Capped Bonus Certificate has an upper limit.

Product No. 5. Risk factors applicable to Capped Bonus Certificates with potential Physical Settlement

Risk of total loss in the case of a Barrier Event

Investors should note that if a Barrier Event has occurred and, if provided for in the Final Terms, the Final Fixing Level is equal to or below the Issue Price multiplied by the Bonus Level the claim to the minimum redemption expires and the Products provide for a physical delivery of the Underlying. In this case the investor will be exposed to the risk of a **total loss** of the invested capital including the related transaction costs, arising, if the Underlying is worthless at the end of the term of the Product.

An important determinant for the probability of the occurrence of a Barrier Event is the volatility of the Underlying. The term "**Volatility**" means the fluctuation margin or price movements of the Underlying. The higher the volatility of an Underlying, the higher the risk to the Holder that the Barrier will be broken. An increasing probability of a Barrier break tends to result in a declining price of the Product.

Redemption Amount is limited to Maximum Redemption Amount

Irrespective of whether or not a Barrier Event has occurred, the Redemption Amount will not exceed the Maximum Redemption Amount. This means that the Holder does not participate in a price movement of the Underlying above the Cap Level, with the result that the possible yield on Capped Bonus Certificate has an upper limit.

Product No. 6. Risk factors applicable to Notes (Reverse Convertibles) with Cash Settlement

Redemption Amount is limited to Maximum Redemption Amount

Holders should consider that the Redemption Amount (regardless of possible coupon payments during the term) will not exceed the Denomination in any case.

Risk of total loss

If the Final Fixing Level is equal to or falls below the Strike Level, the Redemption Amount equals the Denomination multiplied by the Performance of the Underlying. In this scenario, the Redemption Amount will generally be lower than the Denomination. This means that from a certain point the fixed coupon payment(s) may no longer be able to offset the negative performance of the Underlying and the capital loss experienced, and the Holder may suffer a loss. The loss in this case is equal to the difference between (i) the purchase price paid for the Product (plus transaction costs) and (ii) the Redemption Amount plus coupon payment(s). In an extreme case, this may lead to the total loss of the invested capital – irrespective of the amount of the fixed coupon payment(s) – if the Underlying is worthless at the end of the term.

Product No. 7. Risk factors applicable to Notes (Reverse Convertibles) with potential Physical Settlement

Redemption Amount is limited to Maximum Redemption Amount

Holders should consider that the Redemption Amount (regardless of possible coupon payments during the term) will not exceed the Denomination in any case.

Risk of total loss

If the Final Fixing Level is equal to or falls below the Strike Level, the Products provide for a physical delivery of the Underlying. In the case of a settlement of the Products by physical delivery of the Underlying, it is to be noted that the equivalent value of the delivered Underlyings is generally lower than the Denomination. This means that from a certain point the fixed coupon payment(s) may no longer be able to offset the negative performance of the Underlying and the capital loss suffered, and the Holder may suffer a loss. The loss in this case is equal to the difference between (i) the purchase price paid for the Product (plus transaction costs) and (ii) the equivalent value of the delivered Underlyings plus coupon payment(s). In an extreme case, this may lead to the total loss of the invested capital – irrespective of the amount of the fixed coupon payment(s) – if the Underlying is worthless at the end of the term.

Product No. 8. Risk factors applicable to Notes (Barrier Reverse Convertibles) with Cash Settlement

Redemption Amount is limited to Maximum Redemption Amount

Holders should consider that the Redemption Amount (regardless of possible coupon payments during the term) will not exceed the Denomination in any case.

Risk of total loss

If a Barrier Event has occurred and, if provided in the Final Terms, the Final Fixing Level is equal to or falls below the Initial Fixing Level, the Redemption Amount equals the Denomination multiplied by the Performance of the Underlying and/or the Denomination multiplied by the performance of the Basket Component with the worst performance. In this scenario, the Redemption Amount will normally be lower than the Denomination. This means that from a certain point the fixed coupon payment(s) may no longer be able to offset the negative performance of the Underlying and/or the Basket Component with the worst performance and the capital loss suffered, and the Holder may suffer a loss. The loss in this case is equal to the difference between (i) the purchase price paid for the Product (plus transaction costs) and (ii) the Redemption Amount plus coupon payment(s). In an extreme case, this may lead to the total loss of the invested capital – irrespective of the amount of the fixed coupon payment(s) – if the Underlying and/or the Basket Component with the worst performance is worthless at the end of the term.

Product No. 9. Risk factors applicable to Notes (Barrier Reverse Convertibles) with potential Physical Settlement

Redemption Amount is limited to Maximum Redemption Amount

Holders should consider that the Redemption Amount (regardless of possible coupon payments during the term) will not exceed the Denomination in any case.

Risk of total loss

If a Barrier Event has occurred and, if provided for in the Final Terms, the Final Fixing Level reaches or falls below the Initial Fixing Level the Products provide for a physical delivery of the Underlying and/or the Basket Component with the Worst Performance. In the case of a settlement of the Products by physical delivery of the Underlying and/or the Basket Component with the Worst Performance, it is to be noted that the equivalent value of the delivered Underlyings and/or Basket Components is generally lower than the Denomination. This means that from a certain point the fixed coupon payment(s) may no longer be able to offset the negative performance of the Underlying and/or the Basket Component with the Worst Performance and the capital loss suffered, and the Holder may suffer a loss. The loss in this case is equal to the difference between (i) the purchase price paid for the Product (plus transaction costs) and (ii) the equivalent value of the delivered Underlyings and/or Basket Components plus coupon payment(s). In an extreme case, this may lead to the total loss of the invested capital – irrespective of the amount of the fixed coupon payment(s) – if the Underlying and/or Basket Component is worthless at the end of the term.

Product No. 10. Risk factors applicable to Discount Certificates with Cash Settlement

Redemption Amount is limited to Maximum Redemption Amount

In the case of Discount Certificates, the Redemption Amount will not exceed the Maximum Redemption Amount. This means that the Holder does not participate in a price movement of the Underlying above the Cap Level, with the result that the possible yield on Discount Certificates has an upper limit.

Risk of total loss

Below the Cap Level, Discount Certificates are comparable with a direct investment in the Underlying (without taking into account dividend payments). In this case there is a risk of a total loss of the Holder's invested capital. A total loss will occur if the Underlying is worthless at the end of the term.

Product No. 11. Risk factors applicable to Discount Certificates with potential Physical Settlement

Redemption Amount is limited to maximum amount

In the case of Discount Certificates, the Redemption Amount will not exceed the Maximum Redemption Amount. This means that the Holder does not participate in a price movement of the Underlying above the Cap Level, with the result that the possible yield on Discount Certificates has an upper limit.

Risk of total loss

The Discount Certificates provide for provide for a settlement by physical delivery of the Underlying, if the Final Fixing Level is equal to or below the Cap Level. In this case there is a risk of a total loss of the Holder's invested capital. A total loss will occur if the Underlying is worthless at the end of the term.

Product No. 12. Risk factors applicable to Express Certificates with Cash Settlement and without par value

Risk of total loss and risks related to early redemption

In the case of Express Certificates it should be noted that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event specified in the Conditions has occurred on a Autocall Observation Date.

If this event occurs before the Final Fixing Date, the term of the Products ends early and the Products are redeemed early in accordance with the Conditions. In the case of such early redemption, the future price performance of the Underlying or, in the case of a Basket as Underlying, the Basket Components is irrelevant to the Holder.

If there has been no early redemption of the Products, the level of the Redemption Amount is dependent on the price performance of the Underlying or, in the case of a Basket as Underlying, the Basket Components. If neither the preconditions for a minimum redemption nor a maximum redemption are met, the Products are comparable to a direct investment in the Underlying (without taking in to account dividend payments) or, in the case of a Basket as Underlying, the Basket Component with the worst performance. As a result, the Holder is also exposed to a risk of loss comparable to the direct investment. Therefore, the Holder bears a risk of total loss with regard to the invested capital. A total loss occurs if the Underlying or, in the case of a Basket as Underlying, the Basket Component with the worst performance is worthless at the end of the term.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain

event in relation to the Underlying or, in the case of a Basket as Underlying, the Basket Components (e.g. the Underlying or, in the case of a Basket as Underlying, the Basket Components reaching or exceeding a certain threshold value on a specified date). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Holders should note that they will not receive a coupon payment during the entire term of the Products, as the case may be, if the prerequisites are not met on a date relevant for the determination of the coupon payment. It should be noted here that, unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts. The volatility of the Underlying or, in the case of a Basket as Underlying, the Basket Components is an important factor for determining the likelihood of the occurrence of an event entitling receipt of the applicable Coupon Amount. The higher the volatility of the Underlying or, in the case of a Basket as Underlying, the Basket Components, the higher the risk to the Holder that the condition will not be met and that the Holder will therefore not receive a Coupon Amount for the relevant Coupon Payment Date.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the Early Redemption Date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Redemption Amount is limited to the Maximum Redemption Amount

The Redemption Amount is limited to the Issue Price (Maximum Redemption Amount).

Product No. 13. Risk factors applicable to Express Certificates with Cash Settlement and with par value

Risk of total loss and risks related to early redemption

In the case of Express Certificates it should be noted that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event specified in the Conditions has occurred on a Autocall Observation Date.

If this event occurs before the Final Fixing Date, the term of the Products ends early and the Products are redeemed early in accordance with the Conditions. In the case of such early redemption, the future price performance of the Underlying or, in the case of a Basket as Underlying, the Basket Components is irrelevant to the Holder.

If there has been no early redemption of the Products, the level of the Redemption Amount is dependent on the price performance of the Underlying or, in the case of a Basket as Underlying, the Basket Components. If neither the preconditions for a minimum redemption nor a maximum redemption are met, the Products are comparable to a direct investment in the Underlying (without taking in to account dividend payments) or, in the case of a Basket as Underlying, the Basket Component with the worst performance. As a result, the Holder is also exposed to a risk of loss comparable to the direct investment.

Therefore, the Holder bears a risk of total loss with regard to the invested capital. A total loss occurs if the Underlying or, in the case of a Basket as Underlying, the Basket Component with the worst performance is worthless at the end of the term.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Underlying or, in the case of a Basket as Underlying, the Basket Components (e.g. the Underlying or, in the case of a Basket as Underlying, the Basket Components reaching or exceeding a certain threshold value on a specified date). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Holders should note that they will not receive a coupon payment during the entire term of the Products, as the case may be, if the prerequisites are not met on a date relevant for the determination of the coupon payment. It should be noted here that, unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts. The volatility of the Underlying or, in the case of a Basket as Underlying, the Basket Components is an important factor for determining the likelihood of the occurrence of an event entitling receipt of the applicable Coupon Amount. The higher the volatility of the Underlying or, in the case of a Basket as Underlying, the Basket Components, the higher the risk to the Holder that the condition will not be met and that the Holder will therefore not receive a Coupon Amount for the relevant Coupon Payment Date.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the Early Redemption Date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Redemption Amount is limited to the Maximum Redemption Amount

The Redemption Amount is limited to the Denomination (Maximum Redemption Amount).

Product No. 14. Risk factors applicable to Tracker Certificates with Cash Settlement

Risk of total loss

If the Products are linked to a single underlying the Products are comparable with a direct investment in the Underlying (irrespective of dividend payments). Consequently, the Holder is exposed to a risk of loss comparable to the direct investment. Therefore, there is a risk of total loss with regard to the invested capital if the Underlying is worthless at the end of the term. If the Products are linked to a Basket as Underlying, the Products reflect the development of the Basket Components contained in the Underlying and the Products are comparable with a direct investment in the Basket Components (irrespective of

dividend payments). Therefore, there is a risk of total loss with regard to the invested capital if all Basket Components are worthless at the end of the term.

If the applicable Final Terms provide for a participation in dividend payments, this occurs only in the amount of net dividends actually received by the Issuer.

Risk factors in relation to the Management Fee

To the extent provided in the applicable Final Terms, a certain Management Fee is deducted from the Redemption Amount payable.

The Management Fee compensates the Issuer or entities associated with the Issuer for costs incurred by it in entering into transactions related to the Underlying on the capital markets, which serve to hedge the fulfilment risks associated with the issuance of the Products ("**Hedging Transactions**").

It should be noted that a Management Fee not only reduces the Redemption Amount payable by the Issuer, but also reduces the value of the Products on the secondary market during their term. Such a Management Fee is incorporated in the calculation of the bid and ask prices for Products on the secondary market according to the portion of the term of the Products that has already expired.

The Issuer may be entitled to adjust the level of the Management Fee during the term of the Products. In the case of a Management Fee greater than zero (0), the effect of the Management Fee will be greater, the longer the holding period in which it applies to the Products.

Return and reinvestment risk in the case of ordinary or extraordinary termination by the Issuer

Holders should note that the term of the Products, if provided for in the Final Terms, may be ended prematurely by an ordinary or extraordinary termination by the Issuer. In the case of a termination, the Holder bears the risk that his expectations with respect to an increase in the value of the Products may no longer be satisfied due to the ending of the term. In the case of a termination, it must also be considered that the Holder bears the reinvestment risk. This means that he or she may only be able to reinvest the amount paid by the Issuer in the event of a termination on more unfavourable market terms compared with those existing when the Products was purchased.

Product No. 15. Risk factors applicable to Open End Tracker Certificates with Cash Settlement

Risk factors related to the unlimited term of the Products and/or to the Issuer's ability to terminate

The Products do not have a specified limited term (Open End). The term of the Products ends either (i) on the exercise of the Products by the Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.

I. RISK FACTORS RELATING TO THE PRODUCTS

The Products may be exercised by the Holder on certain Exercise Dates during their term by submitting an Exercise Notice. The Redemption Amount for exercised Products is calculated based on the Final Fixing Level of the Underlying on the relevant Exercise Date.

The Products may be terminated on notice by the Issuer by way of ordinary termination in accordance with the Conditions. It is to be noted that the Issuer has no further obligations in relation to the exercise of its termination right.

The Issuer is furthermore entitled to extraordinary termination of the Products by notice if an adjustment is no longer possible or in the case of an Additional Termination Event. It is to be noted that the Issuer exercises its termination right at its reasonable discretion and has no further obligations in relation to its termination right. The exercise of the right to extraordinary termination may occur at short notice, so that, in certain circumstances, the Holder may no longer be able to sell his or her Product on the secondary market.

The exercise of the termination right by the Issuer is generally more likely, the greater the volatility of the Underlying or the more illiquid the market in financial instruments related to the Underlying (including the forward and loan markets). Owing to the Issuer's termination right, Holders may not assume that the Products will have an unlimited term. Holders should therefore not rely on being able to maintain a position in the Products over a long period. Furthermore, Holders may not rely on the timely movement of the Underlying in a favourable direction before a Termination Date.

Return and reinvestment risk in the case of ordinary or extraordinary termination by the Issuer

Holders should note that the unlimited term of the Products may be ended by an ordinary or extraordinary termination by the Issuer. In the case of a termination, the Holder bears the risk that his expectations with respect to an increase in the value of the Products may no longer be satisfied due to the ending of the term. In the case of a termination, it must also be considered that the Holder bears the reinvestment risk. This means that he or she may only be able to reinvest the amount paid by the Issuer in the event of a termination on more unfavourable market terms compared with those existing when the Products was purchased.

Risk of total loss

Open End Tracker Certificates are comparable with a direct investment in the Underlying (irrespective of dividend payments). Consequently, the Holder is exposed to a risk of loss comparable to the direct investment. Therefore, there is a risk of total loss with regard to the invested capital if the Underlying is worthless at the end of the term.

Risk factors in relation to the Management Fee

To the extent provided in the applicable Final Terms, a certain Management Fee is deducted from the Redemption Amount payable.

The Management Fee compensates the Issuer or entities associated with the Issuer for costs incurred by it in entering into transactions related to the Underlying on the capital markets, which serve to hedge the fulfilment risks associated with the issuance of the Products ("**Hedging Transactions**").

It should be noted that a Management Fee not only reduces the Redemption Amount payable by the Issuer, but also reduces the value of the Products on the secondary market during their term. Such a Management Fee is incorporated in the calculation of the bid and ask prices for Products on the secondary market according to the portion of the term of the Products that has already expired.

The Issuer may be entitled to adjust the level of the Management Fee during the term of the Products. In the case of a Management Fee greater than zero (0), the effect of the Management Fee will be greater, the longer the holding period in which it applies to the Products.

Product No. 16. Risk factors applicable to Express Certificates with potential Physical Settlement and with par value

Risk of total loss and risks related to early redemption

In the case of Express Certificates it should be noted that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event specified in the Conditions has occurred on a Autocall Observation Date.

If this event occurs before the Final Fixing Date, the term of the Products ends early and the Products are redeemed early in accordance with the Conditions. In the case of such early redemption, the future price performance of the Underlying and/or Basket Components is irrelevant to the Holder.

If there has been no early redemption of the Products, the level of the Redemption Amount and/or the type of settlement (cash settlement or physical delivery) is dependent on the price performance of the Underlying and/or Basket Components.

If a Barrier Event has occurred or, if provided for in the Final Terms, the Final Fixing Level is equal to or below the Strike Level, as the case may be, the Products provide for a physical delivery of the Underlying and/or the Basket Component with the Worst Performance. In the case of a settlement of the Products by physical delivery of the Underlying and/or the Basket Component with the Worst Performance, it is to be noted that the equivalent value of the delivered Underlyings and/or Basket Components is generally lower than the Denomination. This means that from a certain point the potential coupon payment(s) may no longer be able to offset the negative performance of the Underlying and/or the Basket Component with the Worst Performance and the capital loss suffered, and the Holder may suffer a loss. The loss in this case is equal to the difference between (i) the purchase price paid for the Product (plus transaction costs) and (ii) the equivalent value of the delivered Underlyings and/or Basket Components plus coupon payment(s). In an extreme case, this may lead to the total loss of the invested capital – irrespective of the amount of the

potential coupon payment(s) – if the Underlying and/or Basket Component is worthless at the end of the term.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying and/or the Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Underlying and/or the Basket Components (e.g. reaching or exceeding a certain threshold value on a specified date). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Holders should note that they will not receive a coupon payment during the entire term of the Products, as the case may be, if the prerequisites are not met on a date relevant for the determination of the coupon payment. It should be noted here that, unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts. The volatility of the Underlying and/or Basket Components is an important factor for determining the likelihood of the occurrence of an event entitling receipt of the applicable Coupon Amount. The higher the volatility of the Underlying and/or the Basket Components, the higher the risk to the Holder that the condition will not be met and that the Holder will therefore not receive a Coupon Amount for the relevant Coupon Payment Date.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the Early Redemption Date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Redemption Amount is limited to the Maximum Redemption Amount

The Redemption Amount is limited to the Maximum Redemption Amount (without taking into account a possible Coupon Amount) which equals the Denomination.

Product No. 17. Risk factors applicable to Express Certificates with potential Physical Settlement and without par value

Risk of total loss and risks related to early redemption

In the case of Express Certificates it should be noted that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event specified in the Conditions has occurred on a Autocall Observation Date.

If this event occurs before the Final Fixing Date, the term of the Products ends early and the Products are redeemed early in accordance with the Conditions. In the case of such early redemption, the future price performance of the Underlying and/or Basket Components is irrelevant to the Holder.

If there has been no early redemption of the Products, the level of the Redemption Amount and/or the type of settlement (cash settlement or physical delivery) is dependent on the price performance of the Underlying and/or Basket Components.

If a Barrier Event has occurred or the Final Fixing Level is equal to or below the Strike Level, as the case may be, the Products provide for a physical delivery of the Underlying and/or the Basket Component with the Worst Performance. In the case of a settlement of the Products by physical delivery of the Underlying and/or the Basket Component with the Worst Performance, it is to be noted that the equivalent value of the delivered Underlyings and/or Basket Components is generally lower than the Denomination. This means that from a certain point the potential coupon payment(s) may no longer be able to offset the negative performance of the Underlying and/or the Basket Component with the Worst Performance and the capital loss suffered, and the Holder may suffer a loss. The loss in this case is equal to the difference between (i) the purchase price paid for the Product (plus transaction costs) and (ii) the equivalent value of the delivered Underlyings and/or Basket Components plus coupon payment(s). In an extreme case, this may lead to the total loss of the invested capital – irrespective of the amount of the potential coupon payment(s) – if the Underlying and/or Basket Component is worthless at the end of the term.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying and/or Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Underlying and/or Basket Components (e.g. reaching or exceeding a certain threshold value on a specified date). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Holders should note that they will not receive a coupon payment during the entire term of the Products, as the case may be, if the prerequisites are not met on a date relevant for the determination of the coupon payment. It should be noted here that, unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts. The volatility of the Underlying and/or Basket Components is an important factor for determining the likelihood of the occurrence of an event entitling receipt of the applicable Coupon Amount. The higher the volatility of the Underlying and/or Basket Components, the higher the risk to the Holder that the condition will not be met and that the Holder will therefore not receive a Coupon Amount for the relevant Coupon Payment Date.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the Early Redemption Date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Redemption Amount is limited to the Maximum Redemption Amount

The Redemption Amount is limited to the Maximum Redemption Amount (without taking into account a possible Coupon Amount) which equals the Issue Price.

Product No. 18. Risk factors applicable to Inverse Discount Certificates with Cash Settlement

Redemption Amount is limited to maximum amount

In the case of Inverse Discount Certificates, the Redemption Amount will not exceed the Maximum Redemption Amount, with the result that the possible yield on Inverse Discount Certificates has an upper limit.

Risk of total loss

Investors should note that they bear the risk of an unfavourable performance of the Underlying, i.e. an increase of the Underlying. In this scenario the investor may incur losses. In the worst case, the investor may suffer a total loss of the invested capital including related transaction costs, which arises if the Final Fixing Level is at or above the Inverse Level.

Product No. 19. Risk factors applicable to Master Discount Certificates with Cash Settlement

Redemption Amount is limited to maximum amount

In the case of Master Discount Certificates, the Redemption Amount will not exceed the Maximum Redemption Amount, with the result that the possible yield on Master Discount Certificates has an upper limit.

Risk of total loss

Investors should note that the investment in the Product is comparable with a direct investment in the respective Underlying and thus in the Basket Components underlying the Product (without taking into account possible dividend payments). If a Basket Component becomes worthless, the investor suffers a loss in the amount of the Basket Component taking into account the number of each Basket Component. Since the Basket Components and the **applicable Cap Levels** are considered individually, such a loss may not be compensated by the performance of the other Basket Components. If all Basket Components become worthless, the investor is consequently exposed to the risk of **total loss** of the invested capital including related transaction costs. **It should also be noted that the Cap Level may be below the Initial Fixing Level. In this case there no possibility of the investor participating in an increase in value of the Basket Component.**

Product No. 20. Risk factors applicable to Express Certificates with Cash Settlement and and with par value and unconditional minimum redemption

Risk factors related to the early redemption and the unconditional minimum redemption

I. RISK FACTORS RELATING TO THE PRODUCTS

In the case of Express Certificates it should be noted that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event specified in the Conditions has occurred on an Autocall Observation Date.

If this event occurs before the Final Fixing Date, the term of the Products ends early and the Products are redeemed early in accordance with the Conditions. In the case of such early redemption, the future price performance of the Basket Components is irrelevant to the Holder.

If an early redemption of the Products has not occurred, the amount of the redemption is dependent on the Performance of the Basket Components. If the Final Fixing Levels of all Basket Components lie at or above the Autocall Trigger Level, the Holder receives the Denomination. If this is not the case, the Holder receives the Minimum Redemption Amount, the amount of which is independent of the performance of the Basket Components. **Investors should note that the Minimum Redemption Amount may be lower than the Denomination and/or than the capital invested to purchase the Product (including the related transaction costs).**

Investors should note that the Minimum Redemption Amount may apply only in the case of a redemption at the end of the term. Investors must be prepared to hold their Product until the Redemption Date. If (i) an investor sells the Product on the secondary market prior to the Redemption Date or (ii) the Products are redeemed before the end of the term or (iii) a market disruption event lasting several Scheduled Trading Days has occurred in accordance with the Conditions, such minimum redemption shall not occur. **In such case the investor shall bear the risk of a total loss of the invested capital including the related transaction costs.** Investors will still be exposed to the risk of default by the Issuer meaning that they may lose their entire capital invested to purchase the Products (including related transaction costs) should the Issuer become insolvent. **This is one of the reasons that Products with unconditional minimum redemption can be traded during their term at prices which are below their Minimum Redemption Amount. Investors should therefore not rely on being able to sell the purchased Products at their Minimum Redemption Amount at any time during their term.**

In the case of these Products, the payment of the Coupon Amount is dependent on the occurrence of a Coupon Trigger Event, i.e. whether the Reference Prices of all Basket Components on a Coupon Observation Date reach or exceed the relevant Coupon Trigger Level for this date. If a Coupon Trigger Event does not occur on any Coupon Observation Date, the investor does not receive a Coupon Payment. In the case of an Early Redemption, the investor is not entitled to demand any further Coupon Payments for future Coupon Payment Dates. The volatility of the Basket Components is an important factor for determining the likelihood of the occurrence of an event entitling receipt of the applicable Coupon Amount. The higher the volatility of the Basket Components, the higher the risk to the Holder that the condition will not be met and that the Holder will therefore not receive a Coupon Amount for the relevant Coupon Payment Date.

Redemption Amount is limited to the Maximum Redemption Amount

The Redemption Amount is limited to the Maximum Redemption Amount (without taking into account a possible Coupon Amount) which equals the Denomination.

Product No. 21. Risk factors applicable to Express Certificates with Cash Settlement and with par value and with Downside Participation Factor

Risk of total loss

Holders should note that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event specified in the Final Terms has occurred on an Autocall Observation Date.

If this event occurs before the Final Fixing Date, the term of the Products ends early and the Products are redeemed early in accordance with the provisions of the Conditions. In the case of such early redemption, the future price performance of the Basket Components is irrelevant to the Holder.

If there has been no early redemption of the Products, the level of the Redemption Amount is dependent on the price performance of the Basket Components. If the preconditions for redemption at the Maximum Redemption Amount are not met, **the Holder participates on the basis of the Downside Participation Factor disproportionately in the loss in value of the Basket Component with the Worst Performance, so that as a result the Holder is exposed to a risk of loss greater than a direct investment.** Therefore, the Holder bears a risk of total loss with regard to the invested capital. Even if the Basket Component with the Worst Performance is greater than zero (0) at the end of the term, a total loss may still occur if the Downside Participation in the loss in value of the Basket Component with the Worst Performance leads to the Product being worthless.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Basket Components (e.g. reaching or exceeding a certain threshold on a specified date). Should such event not occur, there will be no coupon payment for the applicable Coupon Payment Date. Holders should note that, in the case of a coupon payment which is dependent on the Underlying, they will not receive a coupon payment during the entire term of the Products, as the case may be, if the prerequisites are not met on a date relevant for the determination of the coupon payment. It should be noted that, unless provided otherwise in the applicable Final Terms, each relevant date is considered separately and there are no catch-up payments of the Coupon Amount. The volatility of the Basket Components is an important factor for determining the likelihood of the occurrence of an event entitling receipt of the applicable Coupon Amount. The higher the volatility of the Basket Components,

the higher the risk to the Holder that the condition will not be met and that the Holder will therefore not receive a Coupon Amount for the relevant Coupon Payment Date.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the Early Redemption Date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Redemption Amount is limited to Maximum Redemption Amount

The Redemption Amount will not exceed the Denomination, with the result that the possible yield has an upper limit.

Product No. 22. Risk factors applicable to Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts

Holders should note that the level of the Redemption Amount is limited to the Minimum Redemption Amount, which simultaneously equals the Maximum Redemption Amount. In contrast to a direct investment in the Basket Components, the investor does not participate in the further positive performance of the Basket Components.

Investors should note that the Minimum Redemption Amount may be lower than the Denomination or the capital invested for the purchase of the Product (including related transaction costs).

Investors should also note that the Minimum Redemption Amount is applicable only in the case of a redemption at the end of the term. The investors must be prepared to hold their Product until the Redemption Date. If (i) an investor sells the Product before the Redemption Date on the secondary market or (ii) the Products are redeemed before the end of the term or (iii) a Market Disruption Event lasting several Scheduled Trading Days has occurred pursuant to the terms and conditions of the Product, such a Minimum Redemption does not occur. **In such a case the investor bears the risk of a total loss of the capital invested (including related transaction costs).** Furthermore, investors remain exposed to the credit risk of the Issuer, so they may lose all of the capital invested for the purchase of the Products (including related transaction costs) on an insolvency of the Issuer. **For this reason among others, Products with an unconditional Minimum Redemption may be traded throughout their term at a price that is below the Minimum Redemption Amount. Investors should therefore not rely on being able to sell their purchased Products at any time during their term for at least the Minimum Redemption Amount.**

Furthermore, the Certificates have the characteristic such that the payment and the level of a Coupon Amount depend on whether and at what time a Coupon Trigger Event has occurred. If by the final Coupon Observation Date (inclusive) no Coupon Trigger Event has occurred, the investor does not receive a coupon payment throughout the entire term of the Product.

The volatility of the Basket Components is an important factor for determining the likelihood of the occurrence of a Coupon Trigger Event. The higher the volatility of the Basket Components, the higher the risk to the investor that no Coupon Trigger Event occurs and therefore there is no coupon payment.

If a Coupon Trigger Event has not occurred on a Coupon Observation Date, the investor only receives the Minimum Redemption Amount. The investor suffers a loss if the Minimum Redemption Amount is less than the capital invested (including related transaction costs) for the purchase of the Products.

Product No. 23. Risk factors applicable to Certificates with Cash Settlement and with par value and with unconditional minimum redemption

Investors should note that the level of the Redemption Amount at the end of the term depends on the price performance of the Basket Components, since the investor receives on the Redemption Date a cash payment specified at issuance, the level of which depends on the performance of the Basket Component with the Worst Performance. The investor receives at least the Minimum Redemption Amount. **Investors should note that the Minimum Redemption Amount may be lower than the Denomination or the capital invested for the purchase of the Product (including related transaction costs).**

Investors should also note that the Minimum Redemption Amount is applicable only in the case of a redemption at the end of the term. Investors must be prepared to hold their Product until the Redemption Date. If (i) an investor sells the Product before the Redemption Date on the secondary market or (ii) the Products are redeemed before the end of the term or (iii) a Market Disruption Event lasting several Scheduled Trading Days has occurred pursuant to the terms and conditions of the Product, such a Minimum Redemption does not occur. **In such a case the investor bears the risk of a total loss of the capital invested, including related transaction costs.** Furthermore, investors remain exposed to the credit risk of the Issuer, so they may lose all of the capital invested for the purchase of the Products (including related transaction costs) on an insolvency of the Issuer. **For this reason among others, Products with an unconditional Minimum Redemption may be traded throughout their term at a price that is below the Minimum Redemption Amount. Investors should therefore not rely on being able to sell the purchased Products at any time during their term for at least the Minimum Redemption Amount.**

Investors should also note that the Redemption Amount is limited to the Denomination multiplied by the Maximum Redemption Factor.

Product No. 24. Risk factors applicable to Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption

Risk Factors applicable to the unconditional Minimum Redemption

The Products are redeemed at the end of the term for at least the amount specified in advance. **Investors should note that the Minimum Redemption Amount may be lower than the Denomination or the capital invested for the purchase of the Product (including related transaction costs).** Furthermore, investors remain exposed to the credit risk of the Issuer, so they may lose all of the capital invested for the purchase of the Products (including related transaction costs) on an insolvency of the Issuer.

Investors should also note that the Minimum Redemption Amount is applicable only in the case of a redemption at the end of the term. The investors must be prepared to hold their Product until the Redemption Date. If (i) an investor sells the Product before the Redemption Date on the secondary market or (ii) the Products are redeemed before the end of the term or (iii) a Market Disruption Event lasting several Scheduled Trading Days has occurred pursuant to the terms and conditions of the Product, such a Minimum Redemption does not occur. **In such a case the investor bears the risk of a total loss of the capital invested (including related transaction costs).**

For this reason among others, Products with an unconditional Minimum Redemption may be traded throughout their term at a price that is below the Minimum Redemption Amount. Investors should therefore not rely on being able to sell the purchased Products at any time during their term for at least the Minimum Redemption Amount.

Risk Factors applicable to the Participation Factor

Investors should note that the application of a Participation Factor means that the Products are economically similar to a direct investment in the Underlying and/or the Basket Component with the Worst Performance, although they are not totally comparable with such an investment because the Holders do not participate in the respective price performance of the Underlying and/or the Basket Component with the Worst Performance in the ratio of 1:1, but to the extent of a certain factor which, for example, may be expressed as a percentage. Depending on the structure of the Products a Participation Factor may have the effect that the investor participates to a greater or lesser extent in any changes in value of the Underlying and/or the Basket Component with the Worst Performance, subject to the value effects of any other product characteristics.

Redemption Amount is limited to Maximum Redemption Amount

The Redemption Amount is limited to the Maximum Redemption Amount, so the possible yield has an upper limit. **Investors do not participate in an increase in value of the Underlying above the Cap Level and/or the Basket Component with the Worst Performance.**

3. Risk factors associated with certain types of Underlyings

Risk factors related to a basket as underlying

The Terms and Conditions may stipulate that the basket components of which the basket is composed have different weightings within the basket. In this case it has to be considered that the lower the weighting of this basket component is, the lower the impact of the performance of the respective basket component will be on the performance of the entire basket.

The Terms and Conditions may further stipulate that the selection of the basket components and/or the determination of the composition of the basket may be adjusted by the Issuer during the term. If the Issuer has such an adjustment right, investors may not assume that the composition of the basket will remain constant during the term of the Products. Investors therefore purchase a Product linked to an underlying with an unknown future composition.

If in accordance with the respective Terms and Conditions only one basket component or one type of basket components, e.g. the basket component with the worst performance or the one whose performance is negative, is significant for the determination of the redemption amount or of coupon amounts, investors should consider that a loss may occur even if the remaining basket component(s) have performed favourably for the investor. This risk may exist regardless of the number of basket components contained in the basket.

Depending on the Product, a basket component may be quoted in a currency different from the settlement currency. In that case, the investor is additionally exposed to a currency risk which may negatively affect the performance of the respective basket component or of the basket.

Correlation risk for Products related to a basket

In the case of Products whose performance during the term or whose redemption at the end of the term is determined by the performance of several basket components, it has to be considered that the number and the correlation of the basket components has a significant effect on the redemption and risk profile of the respective Product.

Depending on the features of the Product, a high number and/or low correlation of the basket components for example may increase the risk of the condition for a more favourable redemption for the investor not being fulfilled. In the case of Products with an overall consideration of the basket a high correlation of the basket components may increase the risk of a negative performance of the basket as a whole. "Correlation of the basket components", put simply, indicates the level of interdependence among the individual basket components with respect to their performance. Correlation has a value ranging from "-1" to "+1", with a correlation of "+1", i.e. a high positive correlation, meaning that the performance of the individual basket components always moves in the same direction. A correlation of "-1", i.e. a high negative correlation, means that the performance of the basket components is always diametrically opposed. A correlation of "0" indicates that it is not possible to make a statement on the relationship between the basket components. If, for example, in the case of shares as Basket Component all of the basket components originate from the same sector and the same country, a high positive correlation can generally be assumed.

However, the correlation may fall, for example, when the stock corporation whose shares are included in the basket are engaged in intense competition for market shares and the same markets.

Risk factors related to Products linked to shares

The performance of the shares is decisive for the development of the value of the Products linked to shares. The performance of the respective share cannot be predicted and is determined by macroeconomic factors, for example interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

As investors in the Products, the investors will not have any voting rights or rights to dividends or interest payments or other distributions or other rights relating to the share.

It should also be noted that neither the Issuer nor any of its affiliates have conducted any inquiries or reviews regarding the companies issuing the shares including any publicly available documents and notices. Prospective investors should not assume that the choice of a share as underlying or basket component represents an investment recommendation. Accordingly, there is no guarantee that all events occurring before the respective issue date that might have an impact on the trading price of the share(s) have been publicised. A subsequent disclosure or failure to disclose material future events with respect to a company which has issued a share underlying the Product might have an impact on the trading price of the share and thus the trading price of the Product.

Risk factors related to Products linked to securities representing shares

The Products may relate to securities representing shares (mostly in the form of ADRs or GDRs, together "**Depository Receipts**"). Compared with a direct investment in shares, such securities representing shares may carry further-reaching risks.

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

Each Depository Receipt represents one or more shares or a fraction of the security of a non-domestic stock corporation. The legal owner of the underlying shares is for both types of Depository Receipts the depositary, which is also the issuing agent of the Depository Receipts. Depending on the jurisdiction under which the Depository Receipts have been issued and under which the depositary agreement is governed, it cannot be ruled out that the jurisdiction will not accept the holder of the Depository Receipts as the actual beneficial owner of the underlying shares. In particular in the event that the depositary becomes insolvent or is subject to foreclosure, it is possible that a restraint on disposal of the underlying shares of the Depository Receipts will be imposed or that such shares will be disposed of in the context of a foreclosure

against the depositary. In this case, the holder of the Depositary Receipts will lose the rights over the underlying shares which are certified in the Depositary Receipt. The Depositary Receipt as the underlying of the Products and therefore the Products relating to such Depositary Receipt will become worthless.

In such a scenario the Holder is exposed to the risk of the value of the redemption of such Products being less than the capital invested for the Product (including related transaction costs) or zero.

Any fees and costs that the custodian bank – generally having its registered office in the home country of the issuer of the shares underlying the Depositary Receipts – or the depositary incur can have a negative impact on the value of the Depositary Receipts and thus on the value of the Products.

Risk factors related to Products linked to indices

In the case of Products linked to indices, the redemption amount depends on the performance of the index and thus of the components contained in the index. During the term, the market value of the Products can, however, also deviate from the performance of the index or components contained in the index since other factors such as the correlation, volatilities, interest level and, e.g. in the case of performance indices, the reinvestment of any dividend payments relating to the components contained in the index, may have an impact on the performance of the Products. The investor can therefore not rely on the Product being recoverable. In the case of a price index as Underlying, investors should note that dividend payments are in principle not taken into account (whereas in the case of performance indices the calculation of such index takes into account all dividend payments). Therefore, investors should note that they do not participate in any dividend payments with regard to the components contained in the underlying.

Risk factors related to Products linked to futures contracts

Futures contracts – also known as forward contracts – are standardised forward transactions relating to financial instruments (e.g. shares, indices, interest rates or foreign currencies) – known as financial futures contracts – or to commodities (e.g. precious metals, wheat or sugar) – known as commodity futures contracts.

A futures contract represents a contractual obligation to buy or sell a fixed amount of the underlying commodity or financial instrument on a fixed date at an agreed price. Futures contracts are traded on futures exchanges and are for this purpose standardised in terms of contract size, type, and quality of the underlying commodity or financial instrument as well as places and dates of delivery where applicable.

There is generally a close correlation between the price movement of an underlying for the relevant futures contract on a spot market and on the corresponding futures market. However, futures contracts are generally traded at a premium or discount compared with the spot price of the underlying of the futures contract. This difference between the spot and futures prices, called the "basis" in futures exchange terminology, on the one hand is the result of taking into account the costs customarily arising in connection with spot transactions (warehousing, delivery, insurance, etc.) and/or the income customarily arising in connection with spot transactions (interest, dividends, etc.), and on the other hand the different methods used to evaluate general market factors affecting the spot and the futures market. Furthermore,

depending on the relevant underlying, there can be significant differences in the liquidity of the spot and respective futures market.

As the Products are linked to the market price of the futures contracts specified in the Terms and Conditions, it is recommended that investors understand how futures transactions work and are valued in addition to knowing about the market in the underlying of the relevant futures contract, since only then can the investor properly assess the risks inherent in purchasing the Products.

Since futures contracts as an underlying of the Products may have a fixed expiry date, the current futures contract is replaced by the Issuer, at the time specified in the Terms and Conditions, with a futures contract that has the same contract specifications as that futures contract except for the expiry date which is more distant than that of the current futures contract (referred to as "roll-over").

Risk factors related to whole-day trading of currencies and commodities

If the right embodied by the Products is determined on the basis of currencies or commodities, investors should consider that those are traded 24 hours a day as a result of the time zones of Australia, Asia, Europe and America. For this reason it is possible that an event that is material in accordance with the respective Terms and Conditions or a factor relevant for the determination of the right granted by the Product may occur or be determined outside the business hours of the place where the Products are offered and/or traded.

Risk factors related to Products linked to currency exchange rates

Currency exchange rates indicate the relationship between one particular currency and another currency. For example the exchange rate "EUR/USD 1.26921" indicates that USD 1.26921 has to be paid to purchase one euro. An increase in this currency exchange rate therefore means an increase in the value of the euro against the US dollar. The currency exchange rate "USD/EUR 0.787683", on the other hand, indicates that EUR 0.787683 has to be paid to purchase one US dollar. An increase in this currency exchange rate therefore means an increase in the value of the US dollar against the euro.

A country's currency may appreciate, for example, as a result of an increase in this country's key interest rate since in such case demand for the country's government bonds normally rises. Conversely, a country's currency may depreciate if the key interest rate falls. Generally, exchange rates are determined by supply and demand for currencies on the international money markets which are, among other things, subject to economic factors, speculation and actions taken by governments and central banks (e.g. exchange controls or restrictions).

Currency exchange rates are influenced by a wide variety of factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and the safety of making financial investments in the currency concerned. Apart from these assessable factors there may be factors that are almost impossible to predict, for instance factors of a psychological nature such as a loss of faith in the political leadership of a country, which can also have a major impact on the value of the currency concerned.

Risk factors related to Products linked to commodities

Commodities are generally divided into three main categories: mineral commodities (such as oil, gas, aluminium and copper), agricultural products (such as wheat and maize) and precious metals (such as gold and silver). The majority of commodities are traded globally on specialised exchanges or directly between market participants (interbank trading) over-the-counter by means of largely standardised contracts.

The price risks involved in commodities are often complex. Commodity prices are more volatile than other investment categories and, in particular, commodity markets are less liquid than bond, currency or stock markets. This means that changes in the supply and demand have a larger impact on prices and volatility, making commodities investments riskier and more complex than other investments.

The factors that influence commodity prices are both numerous and complex. The following are examples of some typical factors affecting commodities prices.

The planning and management of commodities supplies are very time-consuming. This means that the scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of demand. Demand can also vary on a regional basis. Transport costs for commodities in regions where these are needed also affect their prices. The fact that some commodities take a cyclical pattern, such as agricultural products which are only produced at certain times of the year, can also result in major price fluctuations.

Direct investments in commodities involve costs related to storage, insurance and tax. Moreover, no interest or dividends are paid on commodities. The total returns from commodities investments are therefore influenced by these factors.

Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants on the commodities markets means that speculative investments can have negative consequences and may distort prices.

Unfavourable weather conditions can influence the supply of certain commodities for the entire year. This kind of supply crisis can lead to severe and unpredictable price fluctuations. Diseases and epidemics can also influence the prices for agricultural commodities.

Commodities are often produced in emerging market countries, with demand coming principally from industrialised nations. However, the political and economic situation of emerging markets is often far less stable than in industrialised nations. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect investor confidence, which can as a consequence influence commodity prices. Armed conflicts can also have impact on the supply and demand for certain commodities. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services. This can directly and indirectly impact commodity prices. Furthermore, numerous commodity producers have joined forces to establish organisations or cartels in order to regulate supply and influence prices.

Changes in tax rates and customs duties may have a positive or a negative impact on the profitability margins for commodities producers. If these costs are passed on to buyers, these changes will affect the prices of the relevant commodities.

Risk factors related to Products linked to funds

Factors affecting the performance of the Fund(s) may adversely affect the market value of, and the return (if any) on, the Products linked thereto

A Fund is either (i) an exchange traded fund ("ETF"), which is an open ended or other fund traded like a share on an exchange, or (ii) other unlisted fund, in each case that tracks the performance of a portfolio of assets. As a result, the performance of a Fund is dependent upon the macroeconomic factors affecting the performance of such assets which may include, among other things, interest and price levels on the capital markets, commodity prices, 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. These factors affecting the performance of the Fund(s) may adversely affect the market value of, and the return (if any) on, the Products linked thereto

Exposure to the risk that the return on the Product does not reflect the return on a direct investment in the fund units or the assets included in the portfolio of the Fund(s) linked thereto

An investor's return on Products linked to Fund(s) may not reflect the return such investor would realise if he or she actually owned the relevant fund units or assets included in the portfolio(s) of the Fund(s). For example, if the portfolio of the Fund(s) includes shares or a share index, investors in the Products linked to such Fund will not receive any dividends paid on such shares or the shares included in such share index and will not benefit from those dividends unless such Fund takes such dividends into account for purposes of calculating the value of such Fund. Similarly, investors in Products linked to Fund(s) will not have any voting rights in the shares or other assets that are included in the portfolio(s) of the Fund(s). Accordingly, an investor in Products linked to Fund(s) may receive a lower payment (if any) upon redemption of such Products than such investor would have received, if he or she had directly invested in the fund units or assets included in the portfolio of such Fund(s).

A change in the composition or discontinuance of the Fund(s) could adversely affect the market value of, and return (if any) on, Products linked thereto

In principle, the Issuer and the Calculation Agent have no influence on the composition or performance of any Fund or any index that such Fund is intended to replicate. The Management Company or the licensor/index sponsor, as applicable, of an underlying index can add, delete or substitute the assets included in such index, respectively, or make methodological changes that could affect the value of such Fund or of such underlying index, respectively. The substitution of assets included in the portfolio of a Fund or in an underlying index, respectively, may affect the value of such Fund, as a newly added asset may perform significantly worse or better than the asset it replaces, which in turn may affect the market value of, or payments (or other benefits to be received) under, the Products. The Management Company or licensor/index sponsor of any underlying index may also alter, discontinue or suspend calculation or dissemination of information on such Fund or such

I. RISK FACTORS RELATING TO THE PRODUCTS

underlying index, respectively. The Management Company and licensor/index sponsor of such underlying index are not involved in the offer and sale of the Products and have no obligation to invest therein. The Management Company and licensor/index sponsor of such underlying index may take any actions in respect of such Fund or such underlying index, respectively, without regard to the interests of the investors in Products, and any of these actions could adversely affect the market value of (or amount payable under) such Products. In particular, no assurance can be given that the performance of a Fund will be identical to the performance of the assets included in the portfolio of the Fund(s) or which the Fund intends to replicate, respectively, due to many factors.

Risks in relation to market price

The market price of interests in the Fund that are traded on an exchange may, due to the forces of supply and demand, as well as liquidity and scale of trading spread in the secondary market, diverge from their net asset value, *i.e.*, the market price per interest in the Fund could be higher or lower than its net asset value, and will fluctuate during the trading day.

The performance of Fund(s) with a portfolio of assets that are concentrated in the assets of a particular industry or group of industries could be more volatile than the performance of Funds with portfolios of more diverse assets

Investors in Products linked to Fund(s) with a portfolio of assets that are concentrated in the assets of a particular industry or group of industries should be aware that the performance of such Fund(s) could be more volatile than the performance of Funds with portfolios of more diverse assets.

Risk factors related to underlyings related to emerging markets

Investments in so-called emerging markets contain further risk factors in addition to the risks normally associated with the investment in the respective underlying. These include the unstable economic situation, high inflation, increased currency risks as well as political and legal risks. The political and economic structures in emerging markets are sometimes subject to considerable transitions and rapid developments and these countries often lack social, political and economic stability if compared with more industrialised nations. Of particular importance is the increased risk of currency fluctuations. Instability in these countries can also be caused by authoritarian governments or military interference in political and economic decision making. This also includes anti-constitutional (attempted) regime change, civil unrest relating to demands for improved political, economic and social conditions, hostile relations with neighbouring countries or conflicts based on ethnic, religious or racial reasons.

There is also the possibility of restrictions being imposed on foreign investors, expropriation of assets, confiscatory taxation, confiscation or nationalisation of foreign bank deposits or other assets, the introduction of currency controls or other detrimental developments which may adversely affect the success of investments in such countries. Such adverse effects can, under certain circumstances, last for long periods of time, *i.e.* months or years. Each of these adverse effects may cause what is known as a market disruption in relation to the Products and one of the results of this may be that during this period no prices will be quoted for the Products affected by the market disruption.

The small size and lack of experience on the securities markets in certain countries as well as the limited trading volume of securities can cause an underlying to be less liquid and/or considerably more volatile than underlyings in more established markets. It is possible that very little financial information is available on local issuers, which can make it difficult to assess the value of and/or prospects of the underlying.

In addition, if the underlyings of the Products are quoted in local currency, i.e. not hedged against the euro, there is an increased foreign exchange risk. Experience shows that the currency exchange rates in emerging markets are subject to particularly high fluctuations. This may result in a considerable negative performance of the Product, even though the performance of the underlying during the term of the Product has essentially remained unchanged or even risen. This may mean that some or all of the total performance of the underlying may be eroded by currency losses and that the performance of the underlying even may become negative.

4. Risk factors associated with conflicts of interest between Leonteq Securities AG and Holders

Conflicts of interest related to the underlying

The Issuer and other companies in the Group deal in the underlyings or in components of the underlying or in options or futures contracts relating to the underlyings or components thereof in their normal course of business and from time to time may participate in transactions connected to the Products for their own account or on behalf of others. The Issuer and other companies in the Group can also hold interests in individual underlyings or in the companies contained in these underlyings, meaning that conflicts of interest can arise in connection with the Products.

Conflicts of interest related to the performance of another function

Furthermore, the Issuer and other companies in the Group can, in addition, exercise another function in relation to the underlying or components thereof, such as issuing agent, calculation agent, paying agent and administrative agent and/or index sponsor. Therefore, there can be conflicts of interest regarding the duties when determining the prices of the Products and other determinations related thereto among the relevant companies in the Group and between the companies and the investors. Furthermore, the Issuer and other companies in the Group may act as members of a consortium, financial advisor or commercial bank in connection with future offers of the underlying or components thereof; activities of this kind can also entail conflicts of interest and affect the value of the Products.

Conflicts of interest related to the performance of hedging transactions

The Issuer can use parts or all of the proceeds from the sale of the Products for hedging transactions. These hedging transactions can influence the price of the underlyings or the components of the underlying that is determined on the market.

Conflicts of interest related to the issuance of additional derivative products

The Issuer and other companies in Group can issue additional derivative products in relation to the underlying or components of the underlying, including those that have the same or similar features as the Products. The introduction of products that are in competition with the Products can have an impact on the price of the underlying or components of the underlying and therefore have an impact on the price of the Products.

Conflicts of interest related to information specific to the Underlying

The Issuer and other companies in the Group can receive non-public information regarding the underlying or components of the underlying, but are not obliged to pass such information on to the Holders. Furthermore, companies in the Group can publish research reports on the underlying or components of the underlying. Activities such as those mentioned can give rise to specific conflicts of interest and therefore have an impact on the value of the Products.

Conflicts of interest related to the determination of the selling price of the Products and commission payments

The selling price of the Products, where appropriate in addition to fixed issue surcharges, management fees or other fees, may contain surcharges that are not transparent to the investor on the initial mathematical "fair" value of the Products (the "**margin**"). This margin will be determined by the Issuer in its sole discretion and can differ from surcharges that other issuers impose on comparable Products.

It should be noted that the selling price of the Products may contain commission which is charged by the Lead Manager for the issue or which is passed on to distribution partners as payment for distribution services. This may give rise to a difference between the fair value of the Product and the bid and offer prices quoted by the Market Maker. Any commission contained in the Products affects the investor's potential rate of return. Furthermore, it should be noted that conflicts of interest detrimental to the investor may arise due to payment of such commission to distribution partners, since it could create an incentive for the partner to sell its customers products with higher commission. Therefore, we recommend that you ask your principal bank or financial advisor about such conflicts of interest.

Conflicts of interest related to Market Making for the Products

It is intended that under normal market conditions the Lead Manager or, if applicable, a third party will regularly quote bid and offer prices for each issue of Products. However, no legal obligations are assumed with respect to the amount or the realisation of such quotations. It should be noted that it may not be possible to sell the Products during their term at a particular point in time or at a particular price.

Furthermore it should be taken into account that the bid and offer prices for the Products quoted by the Lead Manager or a third party (the "**Market Maker**"), if applicable, will be calculated on the basis of the standard price models for the sector that are used by the Market Maker and other traders and which determine the fair value of the Products by taking into account various factors influencing prices.

Such circumstances on which the Market Maker bases its determination of the bid and offer prices on the secondary market include, in particular, the fair value of the Products, which among other things depends on the value of the underlying and the spread between bid and offer prices desired by the Market Maker.

I. RISK FACTORS RELATING TO THE PRODUCTS

In addition, an issue surcharge that is originally imposed on the Products and any fees or costs that are deducted from the redemption amount at maturity, such as commission, administrative fees, transaction costs or comparable costs, will generally be considered. Furthermore, the margin contained in the selling price of the Products, for example, has an impact on pricing in the secondary market (see also "Conflicts of interest related to the determination of the selling price of the Products and commission payments" in Section I.4 of the Securities Note) or other returns, such as paid or expected dividends or any other returns on the Underlying or its components if the Issuer is entitled to these due to the features of the Products.

The spread between bid and offer prices is set by the Market Maker based on supply and demand for the Products and yield considerations.

Certain costs such as any administrative fees charged are often during pricing not spread equally over the term of the Products (*pro rata temporis*), thereby reducing the price, but instead are deducted in full from the fair value of the Products at an earlier point in time determined at the discretion of the Market Maker. The same applies for the margin, if any, contained in the selling price of the Products as well as for dividends and other returns on the underlying if the Issuer is entitled to these due to the features of the Products. These are often not only deducted from the price when the underlying or its components are traded "ex dividend", but are deducted at an earlier point during the term on the basis of the expected dividends for the whole term or a particular period. The speed of the deduction depends among other things on the amount of any net return flow from the Products to the Market Maker. The prices quoted by the Market Maker can therefore deviate considerably from the fair value or value of the Products to be expected based on the above mentioned factors at the relevant point in time. Furthermore, the Market Maker can change the methodology by which the prices are determined at any time, e.g. by increasing or decreasing the spread. The result of such deviation from the fair value of the Products can be that bid and offer prices quoted by other traders for the Products deviate significantly (both up-wards and downwards) from the prices quoted by the Market Maker.

Interests of third parties involved in the issue

The Issuer can involve cooperation partners and external advisors in the issuance of Products, e.g. in the composition and adjustment of a basket or index. It is possible that such cooperation partners and advisors may pursue their own interests in the course of an issuance by the Issuer and when providing their associated advice. A conflict of interest of advisors may mean that they make an investment decision or suggestion in their own interest rather than in the interest of the investors.

II. INFORMATION ABOUT THE PRODUCTS

1. *General information about the Products*

(a) *Interest of individuals or legal entities involved in the issue*

For information about the interests of individuals or legal entities involved in the issue as well as potential conflicts of interests resulting from this, please see "Risk of conflicts of interest" under "I. Risk Factors relating to the Products" in the Securities Note and under "Interests of natural and legal persons involved in the issue/offer" under "Part II - Additional Information" in the applicable Final Terms.

(b) *Description of the Products*

The Products are derivative instruments. The amount due at maturity of a Product is dependent on the value of the underlying at the corresponding time. The Products may be linked to Shares, Indices, Securities representing shares, Currency Exchange Rates, Commodities, Futures Contracts Shares in a Fund, Fixed Rate Instruments and/or Derivative Instruments or baskets thereof.

The relevant German securities identification number (WKN) and/or the International Securities Identification Number (ISIN) and/or the Valor Number or any other relevant identification number as well as the SIX Symbol of a Product are specified in Table 1 of the annex to the Issue Specific Conditions in the applicable Final Terms.

(c) *Applicable law*

The form and content of the Products and the rights and duties of the Issuer and the Holders will be governed by German law or Swiss law, as set out for each series of Products in the applicable Final Terms.

(d) *Currency of the Products*

The Settlement Currency of the issue is set out in Table 1 of the annex to the Issue Specific Conditions in the applicable Final Terms.

(e) *Form, delivery*

In the case of **Swiss law** as applicable law it has to be distinguished between the following cases:

- (i) In the case of uncertificated securities the Products are issued during their term as uncertificated securities (*Wertrechte*) (the "**Uncertificated Securities**") created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*). Once the uncertificated securities are registered in the main register (*Hauptregister*) of the Custody Agent (*Verwahrungsstelle*) and entered into one or more securities accounts, the Products constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*). Intermediated securities may only be disposed of

in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by the entry of the transferred Products in a securities account of the transferee. Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "Security Papers").

(ii) In the case of a Permanent Global Note kept in custody by Clearstream Banking AG, Frankfurt the Products are represented during their term by a Permanent Global Note which is kept in custody by or on behalf of the Clearing System. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions.

(iii) In the case of a Permanent Global Note kept in custody by SIX SIS AG or any other custody agent according to Swiss Federal Intermediated Securities Act the Products are represented during their term by a permanent global note (*Dauerglobalurkunde*) which is deposited with the Custody Agent and entered into one or more securities accounts. Once entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Intermediated securities may be only disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities. Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*).

In the case of intermediated securities irrespective of whether created based on a Permanent Global Note or uncertificated securities the records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Security Papers may only be

II. INFORMATION ABOUT THE PRODUCTS

printed for the Products, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful. Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Security Papers shall be delivered to the Holders only against cancellation of the Intermediated Securities in the Holder's securities accounts.

Via the account relation of a Swiss custody agent with foreign central custodians (*Zentralverwahrer*), it is secured that in case of an offering in Germany with Clearstream Banking AG, Frankfurt the Products will be fungible for investors outside Switzerland.

In the case of **German law** as governing law the Products are bearer notes. The Products are represented by a Permanent Global Note.

In the case of a Permanent Global Note kept in custody by Clearstream Banking AG, Frankfurt, the Permanent Global Note is kept in custody during the term of the Products by or on behalf of the Clearing System. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests or rights, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and applicable law.

In the case of a Permanent Global Note kept in custody by SIX SIS AG or any other custody agent according to Swiss Federal Intermediated Securities Act, the Permanent Global Note is kept in custody by the Custody Agent. As soon as the Permanent Global Note has been deposited with the Custody Agent pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities (*Bucheffekten*) pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). For as long as the Permanent Global Note is deposited with the Custody Agent, the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act, i.e. by crediting the Products to be transferred in a securities account of the recipient. The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For Products which constitute intermediated securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products.

(f) Description of the rights attached to the Products and consequences of market disruptions

The right to demand payment of the Redemption Amount and/or delivery under the Products is specified in § 4 of the Issue Specific Conditions.

Any consequences of market disruptions are specified in the Underlying Specific Conditions.

Any consequences of adjustments are specified in the Underlying Specific Conditions.

(g) Ranking of the Products

The ranking of the Products is set out in § 1 of the Issue Specific Conditions.

(h) Resolutions in respect of the issue of the Products

An internal general resolution on the issue of Products under the European Programme was passed by the Issuer on 18 April 2012. No further authorisations are required in relation to the individual issues.

(i) Use of proceeds from the sale of the Products

The proceeds from the sale of the Products are used for hedging the payment obligations arising from the issue of the Products and for the purposes of the Issuer's ordinary business activities.

(j) Conditions of the offer, issue price, issue date, commissions and valuation

Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland will be acting as Lead Manager (the "**Lead Manager**") with respect to the Products issued under the European Programme.

The start of the public offering of the Products, any applicable subscription period, the Minimum Investment Amount, the Issue Price, the Issue Date and the Issue Size will be specified in the applicable Final Terms. In the case of Products with a subscription period the Issuer reserves the right to end the subscription period prematurely or, as the case may be, to extend it. It is not obliged to accept subscription orders. Partial allocations are possible (in particular in the event of oversubscription). The Issuer is not obliged to issue subscribed Products. If the subscription period is ended early or, as the case may be, is extended or if no issue takes place, the Issuer shall publish a notice.

The Issue Price and the selling prices quoted on the secondary market may include commissions paid to distribution partners from the proceeds of the issue as payment for distribution services. Any commission may be based on turnover and may be paid as a one-off payment or on a pro-rata basis over the term of the Products. A distinction is to be made between sales commission and trailer fees. Sales commission is paid as a one-off payment from the proceeds of the issue; alternatively, the Lead Manager grants the distribution partner a corresponding discount on the Issue Price (including any agio) or the selling price quoted in the secondary market. Trailer fees shall be paid to the distribution partners periodically, for example from the Management Fee, based on the portfolio.

Depending on its value, the commission can be a) relevant fees ("**Relevant Fees**") of up to 2% p.a. of the Issue Price, b) significant fees ("**Significant Fees**") of up to 3.5% p.a. of the Issue Price or c) substantial fees ("**Substantial Fees**") of more than 3.5% p.a. of the Issue Price.

The applicable Final Terms will stipulate whether Relevant Fees, Significant Fees or Substantial Fees will be paid to distribution partners or whether no commissions will be paid for a Product.

II. INFORMATION ABOUT THE PRODUCTS

The selling prices are in addition to the costs and fees charged to the investor by its bank or financial services provider. The initial settlement date shall be the Issue Date shown in the applicable Final Terms. No specific method of delivery has been stipulated for the Products.

(k) Pricing of the Products and factors influencing the price of the Products

The Issue Price of the Products is set by the Issuer by taking into account several price relevant factors, including the price of the Underlying, the current interest rate, anticipated dividends and other product-specific criteria.

Furthermore, the Issue Price may include an issue premium which is intended to cover commissions for the Issuer or other ancillary costs arising in connection with the issue and hedging of the respective Securities.

The Issue Price is set out in the applicable Final Terms, and any further prices of the Products are determined at the Issuer's reasonable discretion according to market conditions.

Any costs and disbursements incurred by a Holder in connection with a secondary purchase of the Products are beyond the control of the Issuer.

(l) Listing and trading

The Issuer may introduce or apply for admission of the Products to one or more stock exchange(s) or multilateral trading system(s) or unregulated market(s). However, the Issuer and the Lead Manager do not assume any legal obligation in respect of the realisation of admission to trading on an exchange as at the Scheduled First Trading Day specified in the applicable Final Terms or the maintenance of any admission to trading that is realised. An admission to trading on a regulated market is not intended.

The Issuer may also issue Products which are not admitted to trading or listed on any market.

Products of the same class may have been admitted to trading on the same or another market already.

Information in relation to an intended listing will be set out in the applicable Final Terms. Furthermore, information concerning a public offer attaching to the issue of the Products will be set out in the applicable Final Terms, if any.

Bid and offer prices for the Products on the secondary market shall be quoted on each day of trading during the quoting period as specified in the applicable Final Terms under normal market conditions by the Market Maker and pursuant to the exchange rules and regulations. Information about the relevant market and the secondary market will be set out in the applicable Final Terms.

2. *Explanation of mechanism of Products*

Product No. 1. Explanation of mechanism of Bonus Certificates with Cash Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount, the amount of which depends on the performance of the Underlying.

(i) If no Barrier Event occurs, the Redemption Amount equals the Final Fixing Level taking into account the Conversion Ratio or, if provided for in the Final Terms the Issue Price taking into account the performance of the Underlying. However, the Redemption Amount equals at least the Minimum Redemption Amount (which is equal to the Bonus Level multiplied by the Conversion Ratio or the Issue Price, as the case may be).

(ii) If a Barrier Event has occurred, the Redemption Amount is no longer at least equal to the Minimum Redemption Amount, but is always equal to the Final Fixing Level taking into account the Conversion Ratio or, if provided for in the Final Terms, the Issue Price taking into account the performance of the Underlying. In this case the Holder participates 1:1 in the performance of the Underlying.

A Barrier Event occurs if a Price of the Underlying specified in the applicable Final Terms falls below or, as the case may be, reaches the Barrier. The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Bonus Level is a minimum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

The investors do not have any claim to or arising out of the Underlying (e.g. voting rights, dividends).

Product No. 2. Explanation of mechanism of Bonus Certificates with potential Physical Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount or the physical delivery of the Underlying depending on the performance of the Underlying.

(i) If (a) no Barrier Event occurs and (b) the Final Fixing Level is equal to or below the Initial Fixing Price multiplied by the Bonus Level, the Redemption Amount equals the Minimum Redemption Amount (which is equal to the Bonus Level multiplied by the Issue Price).

(ii) In all other cases the Holder receives delivery of a certain number of the Underlying expressed by the Conversion Ratio. Fractions of the Underlying are not delivered, but are compensated by a cash payment, the so-called Cash Payment Amount for Fractions.

A Barrier Event occurs if a Price of the Underlying specified in the applicable Final Terms falls below or, as the case may be, reaches the Barrier. The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue

Specific Conditions in the applicable Final Terms. The Bonus Level is a minimum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

Product No. 3. Explanation of mechanism of Capped Bonus Certificates with Cash Settlement and with par value

In the case of these Products, on the Redemption Date investors receive a Redemption Amount, the amount of which depends on the performance of the Underlying.

(i) If (a) no Barrier Event occurs and (b) the Final Basket Value is equal to or below the Initial Basket Value multiplied by the Bonus Level, the Redemption Amount equals the Minimum Redemption Amount (which is equal to the Denomination multiplied by the Bonus Level).

(ii) In all other cases the Redemption Amount equals the Denomination taking into account the performance of the Underlying, whereby the Redemption Amount does not exceed the Maximum Redemption Amount (which is equal to the Denomination multiplied by the Cap Level).

A Barrier Event occurs if a Price of a certain number of Basket Components specified in the applicable Final Terms falls below or, as the case may be, reaches the respective Barrier. The Bonus Level is a minimum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Cap Level is a maximum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

Product No. 4. Explanation of mechanism of Capped Bonus Certificates with Cash Settlement and without par value

In the case of these Products, on the Redemption Date investors receive a Redemption Amount, the amount of which depends on the performance of the Underlying.

(i) If no Barrier Event occurs or, if provided for in the applicable Final Terms, a Barrier Event occurs and the Final Fixing Level is above the Initial Fixing Level multiplied by the Bonus Level, the Redemption Amount equals the Minimum Redemption Amount (which is equal to the Bonus Level multiplied by the Issue Price).

(ii) In all other cases the Redemption Amount equals the Issue Price taking into account the performance of the Underlying, whereby the Redemption Amount does not exceed the Maximum Redemption Amount (which is equal to the Issue Price multiplied by the Cap Level).

A Barrier Event occurs if a Price of the Underlying specified in the applicable Final Terms falls below or, as the case may be, reaches the Barrier. The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Bonus Level is a minimum redemption factor as

defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Cap Level is a maximum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

The investors do not have any claim to or arising out of the Underlying (e.g. voting rights, dividends).

Product No. 5. Explanation of mechanism of Capped Bonus Certificates with potential Physical Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount or the physical delivery of the Underlying depending on the performance of the Underlying.

(i) If (a) no Barrier Event occurs or – if provided for in the Final Terms - (b) a Barrier Event occurs and the Final Fixing Level is above the Issue Price multiplied by the Bonus Level, the Redemption Amount equals the Minimum Redemption Amount (which is equal to the Bonus Level multiplied by the Issue Price). The Redemption Amount does not exceed the Maximum Redemption Amount (which is equal to the Issue Price multiplied by the Cap Level).

(ii) In all other cases the Holder receives delivery of a certain number of the Underlying expressed by the Conversion Ratio. Fractions of the Underlying are not delivered, but are compensated by a cash payment, the so-called Cash Payment Amount for Fractions.

A Barrier Event occurs if a Price of the Underlying specified in the applicable Final Terms falls below or, as the case may be, reaches the Barrier. The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Bonus Level is a minimum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Cap Level is a maximum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

Product No. 6. Explanation of mechanism of Notes (Reverse Convertibles) with Cash Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount, the amount of which depends on the performance of the Underlying.

(i) If the Final Fixing Level is above the Strike Level, the Holder receives the Denomination. The Denomination is the maximum amount that the Holder may receive as a Redemption Amount.

(ii) If the Final Fixing Level is equal to or below the Strike Level, the Holder receives a Redemption Amount in the amount of the Denomination taking into account the performance of the Underlying. This amount is generally less than the Denomination.

II. INFORMATION ABOUT THE PRODUCTS

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

A further feature of the Products is that the Holder receives a Coupon Amount on one or more Coupon Payment Dates specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

Product No. 7. Explanation of mechanism of Notes (Reverse Convertibles) with potential Physical Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount or the physical delivery of the Underlying depending on the performance of the Underlying.

(i) If the Final Fixing Level is above the Strike Level, the Holder receives the Denomination. The Denomination is the maximum amount that the Holder may receive as a Redemption Amount.

(ii) If the Final Fixing Level is equal to or below the Strike Level, the Holder receives a certain number of the Underlying expressed by the Conversion Ratio. Fractions of the Underlying are not delivered, but are compensated by a cash payment, the so-called Cash Payment Amount for Fractions. This equivalent value of the delivered Underlyings is generally less than the Denomination.

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

A further feature of the Products is that the Holder receives a Coupon Amount on one or more Coupon Payment Dates specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

Product No. 8. Explanation of mechanism of Notes (Barrier Reverse Convertibles) with Cash Settlement

In the case of these Products the Holder receives a Redemption Amount on the Redemption Date, determined as follows:

(i) If no Barrier Event has occurred or, if provided in the Final Terms, a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level, the Holder receives the Denomination. The Denomination is the maximum amount that the Holder may receive as a Redemption Amount.

II. INFORMATION ABOUT THE PRODUCTS

(ii) In all other cases the Holder receives a Redemption Amount in the amount of the Denomination taking into account the performance of the Underlying or, in the case of a Basket as Underlying, of the Denomination taking into account the performance of the Basket Component with the worst performance.

A Barrier Event occurs if a Price of the Underlying and/or the respective Basket Components specified in the applicable Final Terms falls below or, as the case may be, reaches the (relevant) Barrier.

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

A further feature of the Product is that the Holder receives a coupon payment on one or more Coupon Payment Dates specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

Product No. 9. Explanation of mechanism of Notes (Barrier Reverse Convertibles) with potential Physical Settlement

In the case of these Products the Holder receives a settlement amount (cash amount or delivery of the Underlying) on the Redemption Date, determined as follows:

(i) If no Barrier Event has occurred or, if provided for in the Final Terms, a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level the Holder receives the Denomination. The Denomination is the maximum amount that the Holder may receive as a Redemption Amount.

(ii) In all other cases, the Holder receives delivery of a certain number of the Underlying or, in the case of a Basket as Underlying, of the Basket Component with the Worst Performance, expressed by the Conversion Ratio. Fractions of the Underlying or the Basket Component are not delivered, but are compensated by a cash payment, the so-called Cash Payment Amount for Fractions.

A Barrier Event occurs if a Price of the Underlying and/or the respective Basket Components specified in the applicable Final Terms falls below or, as the case may be, reaches the (relevant) Barrier. The Final Fixing Level is the closing price of the Underlying and/or the respective Basket Component at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

A further feature of the Product is that the Holder receives a coupon payment on one or more Coupon Payment Dates specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

Product No. 10. Explanation of mechanism of Discount Certificates with Cash Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount, the amount of which depends on the performance of the Underlying.

(i) If the Final Fixing Level is equal to or below the Cap Level, the Redemption Amount equals the Final Fixing Level taking into account the Conversion Ratio.

(ii) If the Final Fixing Level is above the Cap Level, the Redemption Amount equals the Maximum Redemption Amount (which is equal to the Cap Level taking into account the Conversion Ratio).

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Cap Level is a maximum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

Investors do not have any claim to or arising out of the Underlying (e.g. voting rights, dividends).

Product No. 11. Explanation of mechanism of Discount Certificates with potential Physical Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount or a certain number of the Underlying depending on the performance of the Underlying.

(i) If the Final Fixing Level is above the Cap Level, the Redemption Amount equals the Maximum Redemption Amount (which is equal to the Cap Level taking into account the Conversion Ratio).

(ii) If the Final Fixing Level is equal to or below the Cap Level, the Holder receives delivery of a certain number of the Underlying expressed by the Conversion Ratio. Fractions of the Underlying are not delivered, but are compensated by a cash payment, the so-called Cash Payment Amount for Fractions.

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Cap Level is a maximum redemption factor as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

Product No. 12. Explanation of mechanism of Express Certificates with Cash Settlement and without par value

The Products have the characteristic such that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event has occurred. If this is the case, the term

of the Products ends early and the Products are redeemed early following the Autocall Observation Date on which the Autocall Event occurred. In this case, the Redemption Amount equals the Issue Price.

An Autocall Event occurs if on an Autocall Observation Date the Reference Price exceeds the Autocall Trigger Level or, in the case of a Basket as Underlying, if the Reference Price of all Basket Components exceed the Autocall Trigger Level.

If an early redemption does not occur, the performance of the Underlying and/or the Basket Components determines the level of the Redemption Amount:

(i) If no Barrier Event occurred the Redemption Amount is equal to the Issue Price. If provided for in the applicable Final Terms, the Redemption Amount is equal to the Issue Price as well if a Barrier Event has occurred, but the Final Fixing Level is above the Initial Fixing Level

(ii) If the preconditions set out under (i) above are not satisfied the Redemption Amount equals the Issue Price taking into account the performance of the Underlying or, in the case of a Basket as Underlying, the development of the Basket Component with the worst performance. However, the Redemption Amount will not exceed the Issue Price.

A Barrier Event occurs if a price of the Underlying specified in the applicable Final Terms falls below or, as the case may be, reaches the Barrier or, in the case of a Basket as Underlying, if a price of at least one Basket Component specified in the applicable Final Terms falls below or, as the case may be, reaches the respective Barrier.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying and/or Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Underlying and/or the Basket Components (e.g. the Underlying reaching or exceeding a certain threshold (e.g. Coupon Trigger Level)). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the early redemption date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Product No. 13. Explanation of mechanism of Express Certificates with Cash Settlement and with par value

II. INFORMATION ABOUT THE PRODUCTS

The Products have the characteristic such that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event has occurred. If this is the case, the term of the Products ends early and the Products are redeemed early following the Autocall Observation Date on which the Autocall Event occurred. In this case, the Redemption Amount equals the Denomination.

An Autocall Event occurs if on an Autocall Observation Date the Reference Price exceeds the Autocall Trigger Level or, in the case of a Basket as Underlying, if the Reference Price of all Basket Components exceed the Autocall Trigger Level.

If an early redemption does not occur, the performance of the Underlying and/or the Basket Components determines the level of the Redemption Amount.

(i) If no Barrier Event occurred and/or, if provided for in the Final Terms, the Final Fixing Level is above the Strike Level, the Redemption Amount is equal to the Denomination.

(ii) If the preconditions set out under (i) above are not satisfied the Redemption Amount equals the Denomination taking into account the performance of the Underlying or, in the case of a Basket as Underlying, the development of the Basket Component with the worst performance. However, the Redemption Amount will not exceed the Denomination.

A Barrier Event occurs if a price of the Underlying specified in the applicable Final Terms falls below or, as the case may be, reaches the Barrier or, in the case of a Basket as Underlying, if a price of at least one Basket Component specified in the applicable Final Terms falls below or, as the case may be, reaches the respective Barrier.

Furthermore, Express Certificates with Cash Settlement and with par value have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying and/or Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Underlying and/or Basket Components (e.g. the Underlying reaching or exceeding a certain threshold (e.g. Coupon Trigger Level)). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the early redemption date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Product No. 14. Explanation of mechanism of Tracker Certificates with Cash Settlement

In the case of these Products, Holders receive a Redemption Amount on the Redemption Date, the amount of which depends on the performance of the Underlying and/or the Basket Components. The Redemption Amount equals the Final Fixing Level taking into account the Conversion Ratio and, as the case may be, the Management Factor and/or the Basket Performance taking into account the Conversion Ratio and, as the case may be, the Management Factor.

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Basket Performance is the total of the Performances of the Basket Components contained in the Basket.

If provided for in the Final Terms, the Issuer has the right of ordinary termination of the Products. Furthermore the Final Terms may provide that the Holder is entitled to exercise the Products on Exercise Dates specified in the applicable Final Terms.

If the applicable Final Terms provide for a participation in dividend payments, this occurs only in the amount of net dividends actually received by the Issuer.

Product No. 15. Explanation of mechanism of Open End Tracker Certificates with Cash Settlement

Open End Tracker Certificates do not have a specified limited term. The term of the Products ends either (i) on the exercise of the Products by the Holders or (ii) on ordinary termination by the Issuer or (iii) on extraordinary termination by the Issuer.

In the case of these Products, Holders receive a Redemption Amount on the Redemption Date, the amount of which depends on the performance of the Underlying. The Redemption Amount equals the Final Fixing Level taking into account the Conversion Ratio and, as the case may be, the Management Factor and/or the Basket Performance taking into account the Conversion Ratio and, as the case may be, the Management Factor.

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms. The Basket Performance is the total of the Performances of the Basket Components contained in the Basket.

If the applicable Final Terms provide for a participation in dividend payments, this occurs only in the amount of net dividends actually received by the Issuer.

Product No. 16. Explanation of mechanism of Express Certificates with potential Physical Settlement and with par value

The Products have the characteristic such that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event has occurred. If this is the case, the term of the Products ends early and the Products are redeemed early following the Autocall Observation Date on which the Autocall Event occurred. In this case, the Redemption Amount equals the Denomination.

An Autocall Event occurs if on an Autocall Observation Date the Reference Price of the Underlying exceeds the Autocall Trigger Level or, in the case of a Basket as Underlying, if the Reference Price of all Basket Components exceed the Autocall Trigger Level.

If an early redemption does not occur, the performance of the Underlying and/or the Basket Components determines the level of the Redemption Amount and/or the type of settlement (cash settlement or physical delivery):

(i) If no Barrier Event has occurred or, if provided for in the Final Terms, the Final Fixing Level is above the Strike Level the Redemption Amount is equal to the Denomination.

(ii) Otherwise, the Holder receives delivery of a certain number of the Underlying or, in the case of a Basket as Underlying, of the Basket Component with the Worst Performance, expressed by the Conversion Ratio. Fractions of the Underlying or the Basket Component are not delivered, but are compensated by a cash payment, the so-called Cash Payment Amount for Fractions.

A Barrier Event occurs if a Price of the Underlying and/or the respective Basket Components specified in the applicable Final Terms falls below or, as the case may be, reaches the (relevant) Barrier.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying and/or Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Underlying and/or Basket Components (e.g. reaching or exceeding a certain threshold (e.g. Coupon Trigger Level)). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the early redemption date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Product No. 17. Explanation of mechanism of Express Certificates with potential Physical Settlement and without par value

The Products have the characteristic such that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event has occurred. If this is the case, the term of the Products ends early and the Products are redeemed early following the Autocall Observation Date on which the Autocall Event occurred. In this case, the Redemption Amount equals the Issue Price.

An Autocall Event occurs if on an Autocall Observation Date the Reference Price of the Underlying exceeds the Autocall Trigger Level or, in the case of a Basket as Underlying, if the Reference Price of all Basket Components exceed the Autocall Trigger Level.

If an early redemption does not occur, the performance of the Underlying and/or the Basket Components determines the level of the Redemption Amount and/or the type of settlement (cash settlement or physical delivery):

- (i) If no Barrier Event has occurred or, if provided for in the Final Terms, the Final Fixing Level is above the Strike Level the Redemption Amount is equal to the Issue Price.
- (ii) Otherwise, the Holder receives delivery of a certain number of the Underlying or, in the case of a Basket as Underlying, of the Basket Component with the Worst Performance, expressed by the Conversion Ratio. Fractions of the Underlying or the Basket Component are not delivered, but are compensated by a cash payment, the so-called Cash Payment Amount for Fractions.

A Barrier Event occurs if a Price of the Underlying and/or the respective Basket Components specified in the applicable Final Terms falls below or, as the case may be, reaches the (relevant) Barrier. The Final Fixing Level is the closing price of the Underlying and/or the respective Basket Component at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Underlying and/or Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Underlying and/or Basket Components (e.g. reaching or exceeding a certain threshold (e.g. Coupon Trigger Level)). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the

early redemption date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Product No. 18. Explanation of mechanism of Inverse Discount Certificates with Cash Settlement

In the case of these Products, on the Redemption Date investors receive a Redemption Amount, the amount of which is inversely dependent on the performance of the Underlying. The following cases may be distinguished:

(i) If the Final Fixing Level is above the Cap Level, the investor receives on the Redemption Date payment of the difference between the Inverse Level and the Final Fixing Level taking into account the Conversion Ratio. However, the Redemption Amount equals in this case at least zero (0). **Investors should note that they bear the risk of an unfavourable performance of the Underlying, i.e. an increase in the Underlying. In this scenario the investor may incur losses. In the worst case, the investor may suffer a total loss of the invested capital including related transaction costs, which arises if the Final Fixing Level is at or above the Inverse Level.**

(ii) If the Final Fixing Level is above the Cap Level, the Redemption Amount equals the Maximum Redemption Amount (which equals the Difference between the Inverse Level and the Cap Level taking into account the Conversion Ratio).

The Final Fixing Level is the closing price of the Underlying at the end of the term of the Product or any other value of the Underlying as defined in § 3 of the Issue Specific Conditions in the applicable Final Terms.

The investors do not have any claim to or arising out of the Underlying (e.g. voting rights, dividends).

Product No. 19. Explanation of mechanism of Master Discount Certificates with Cash Settlement

On the Redemption Date, the investor receives the total of the Proportionate Redemption Amounts calculated on the basis of the individual Basket Components. The Basket Components are considered individually and are included (with the number of Basket Components specified on the Initial Fixing Date) in the calculation of the Proportionate Redemption Amount and the Redemption Amount. The number of the Basket Component is a factor by means of which an equal weighting of the respective Basket Component, based on the value of the Product, is reproduced.

The following cases may be differentiated when calculating the Proportionate Redemption Amounts:

(i) if the Final Fixing Level of the applicable Basket Component is equal to or falls below the respective Cap Level, the Proportionate Redemption Amount equals the Final Fixing Level multiplied by the number of the Basket Component; and

(ii) if the Final Fixing Level of the applicable Basket Component exceeds the respective Cap Level, the Proportionate Redemption Amount equals the respective Cap Level multiplied by the number of Basket Component.

In the case where the Final Fixing Levels of all Basket Components are above their individual Cap Levels, the investor receives the Maximum Redemption Amount.

If the Final Fixing Level of a Basket Component falls to zero, the investor suffers a loss in the amount of the total value of the Basket Component taking into account the number of the Basket Component. Since the Basket Components and the applicable Cap Levels are considered individually, such a loss may not necessarily be compensated by the performance of the other Basket Components. There is the risk of a total loss, which arises if the Final Fixing Levels of all Basket Components are zero. It should also be noted that at present the Cap Level lies below the Initial Fixing Level, i.e. there is no possibility of the investor participating in an increase in value of the Basket Component, and the Redemption Amount is limited to the Maximum Redemption Amount – in contrast the Proportionate Redemption Amount of the respective Basket Component only lies below the greatest possible Proportionate Redemption Amount if the applicable Final Fixing Level falls below the relevant Cap Level.

Product No. 20. Explanation of mechanism of Express Certificates with Cash Settlement and with par value and unconditional minimum redemption

The Products have the characteristic such that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event has occurred. If this is the case, the term of the Products ends early and the Products are redeemed early following the Autocall Observation Date on which the Autocall Event occurred. In this case, the Redemption Amount equals the Denomination.

An Autocall Event occurs if on an Autocall Observation Date the Reference Prices of all Basket Components reach or exceed the relevant Autocall Trigger Level.

If an early redemption does not occur, the performance of the Basket Components determines the level of the Redemption Amount.

The investor receives the Denomination, which simultaneously equals the Maximum Redemption, if the Final Fixing Levels of all Basket Components are at or above the Autocall Trigger Level specified in the Final Terms. If this is not the case, the Products are redeemed for a Minimum Redemption Amount, which may, however, also be below the Denomination.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on

II. INFORMATION ABOUT THE PRODUCTS

a certain event in relation to the Basket Components (e.g. reaching or exceeding a certain threshold (e.g. Coupon Trigger Level)). Should such event not occur, there will be no coupon payment for the applicable Coupon Payment Date. Unless provided otherwise in the Final Terms, each relevant date is considered separately and there are no catch-up payments of the Coupon Amount.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the Early Redemption Date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Product No. 21. Explanation of mechanism of Express Certificates with Cash Settlement and with par value and with Downside Participation Factor

The Products have the characteristic such that the level of the Redemption Amount and the time for redemption of the Products depend on whether an Autocall Event has occurred. If this is the case, the term of the Products ends early and the Products are redeemed early following the Autocall Observation Date on which the Autocall Event occurred. In this case, the Redemption Amount equals the Denomination.

An Autocall Event occurs if on an Autocall Observation Date the Reference Price of all Basket Components exceed the relevant Autocall Trigger Level.

If there has been no early redemption of the Products, the level of the Redemption Amount is dependent on the price performance of the Basket Component with the Worst Performance. Furthermore, the Downside Participation Factor determines the ratio in which the Holder participates disproportionately in the loss in value of the Basket Component with the Worst Performance. The Redemption Amount equals the Denomination taking into account the development of the Basket Component with the Worst Performance and taking into account the Downside Participation Factor. The Redemption Amount may fall below the Denomination.

Furthermore, the Products have the characteristic such that the Holder may receive a Coupon Amount on certain dates specified in the applicable Final Terms. The payment of the applicable Coupon Amount may be independent of the price performance of the Basket Components. Where provided in the applicable Final Terms, the coupon payment may also be structured in such a way that the payment is conditional on a certain event in relation to the Basket Component (e.g. reaching or exceeding a certain threshold (e.g. Coupon Trigger Level)). Should such event not occur, there would be no coupon payment for the applicable Coupon Payment Date. Unless provided otherwise in the Final Terms, each relevant date is considered separately and there can be no catch-up payments of Coupon Amounts.

With regard to coupon payments, it should also be noted that, in the case of an early redemption of the Products, the Holder will still receive the Coupon Amount for the Coupon Payment Date in respect of the

early redemption date. However, he has no right to demand coupon payments for future Coupon Payment Dates.

Product No. 22. Explanation of mechanism of Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts

The Products have the characteristic such that on various Partial Redemption Dates spread over the term an Partial Redemption is made in the amount of the Denomination multiplied by the Partial Redemption Factor, where the payment is independent of the performance of the Basket Components. The total of the Partial Redemption Amounts paid on all Partial Redemption Dates equals at the end of the term the Denomination multiplied by the Minimum Redemption Factor. The total of the Partial Redemption Amounts also equals simultaneously the Maximum Redemption Amount.

This Product offers the investor the further chance to receive a coupon payment, if the Reference Price of all Basket Components on the respective Coupon Observation Date reaches or exceeds its respective Coupon Trigger Level (so-called "**Coupon Trigger Event**"). The Coupon Amount is determined by multiplying the Denomination by (i) the applicable Coupon Rate for the respective Coupon Payment Date and by (ii) N. N equals, where:

- before the respective Coupon Observation Date no Coupon Trigger Event has occurred, the number of Coupon Observation Dates from the first Coupon Observation Date (inclusive) until the relevant Coupon Observation Date (inclusive) and where
- before the respective Coupon Observation Date a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates between the Coupon Observation Date (exclusive) on which the last Coupon Trigger Event has occurred and the respective relevant Coupon Observation Date (inclusive).

If a Coupon Trigger Event has not occurred on any Coupon Observation Date, the investor does not receive a coupon payment.

Product No. 23. Explanation of mechanism of Certificates with Cash Settlement and with par value and with unconditional minimum redemption

The Products have the characteristic such that the level of the Redemption Amount at the end of the term depends on the price performance of the Basket Components. The investor receives on the Redemption Date a cash payment specified at issuance, the level of which depends on the performance of the Basket Component with the Worst Performance.

However, the investor receives a minimum of the Denomination multiplied by the Minimum Redemption Factor. **Investors should note that the Minimum Redemption Amount may be lower than the capital invested for the purchase of the Product (including related transaction costs).**

The Certificates have the further characteristic such that the level of the Redemption Amount is limited to the Maximum Redemption Amount, which equals the Denomination taking into account the Maximum Redemption Factor.

Product No. 24. Explanation of mechanism of Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption

The Product entitles the investor to receive a cash payment on the Redemption Date, which equals the Minimum Redemption Factor multiplied by the Denomination. **Investors should note that the Minimum Redemption Amount may be lower than the capital invested for the purchase of the Product (including, as the case may be, the Issue Surcharge and related transaction costs).** If the Final Fixing Level exceeds the Initial Fixing Level or, in the case of a basket as Underlying, the Final Fixing Level of the Basket Component with the Worst Performance exceeds its Initial Fixing Level, the investor participates up to the Cap Level in the increase in value of the Underlying or the Basket Component with the Worst Performance taking into account the Participation Factor. If the Final Fixing Level exceeds the Initial Fixing Level multiplied by the Cap Level or, in the case of a basket as Underlying, if the Final Fixing Level of the Basket Component with the Worst Performance exceeds its Initial Fixing Level multiplied by the Cap Level, the investor receives the Maximum Redemption Amount. **Investors therefore do not participate beyond the Cap Level in an increase in value of the Underlying or the Basket Component with the Worst Performance.**

3. *Collateralisation (COSI)*

Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange AG «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange AG in the form of a regular right of lien under Swiss law. The collateral is booked to a SIX Swiss Exchange AG account with SIX SIS AG. Holders do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange AG on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange AG a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

Documentation

The collateralization in favour of SIX Swiss Exchange AG is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange AG, SIX SIS AG, the issuer and the Collateral Provider dated 10 September 2010, in the case of products issued by Leonteq Securities AG, or dated 5 October 2012 in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions. In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement is contained in the Annex to the Base Prospectus and may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange AG information sheet, which is available at «www.six-swiss-exchange.com».

Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair

Values)), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange AG. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange AG. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange AG. The Current Value of Product shall be determined according to either Method A: Fair Value Method or Method B: Bond Floor Method of these Special Conditions of SIX Swiss Exchange AG, as specified in the relevant Final Terms.

Distribution and market making

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

Liquidation of collateral

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange AG or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS AG ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last

trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

Determination of a Liquidation Event

SIX Swiss Exchange AG is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange AG determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange AG is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange AG website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange AG and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange AG shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange AG website. Investors' claims against SIX Swiss Exchange AG for the payment of their pro-rata share of the net liquidation proceeds arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange AG are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange AG, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange AG and SIX SIS AG, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange AG will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. Investors' claims against the issuer will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation

Event occurred shall be applicable. SIX Swiss Exchange AG shall make public the applicable Current Values of the COSI Products.

Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange AG shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange AG shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange AG will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS AG participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS AG. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS AG participant, then SIX Swiss Exchange AG and SIX SIS AG shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange AG may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS AG participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange AG is released from all further obligations. SIX Swiss Exchange AG may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS AG participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange AG is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange AG shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS AG on the banking day immediately

II. INFORMATION ABOUT THE PRODUCTS

preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange AG to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange AG shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange AG, SIX SIS AG or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange AG the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange AG is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange AG shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS AG participants to the extent these participants hold the COSI Products in accounts at SIX SIS AG, SIX Swiss Exchange AG and SIX SIS AG are liable only for the careful instruction of these SIX SIS AG participants. If the payment is made via third parties or via SIX SIS AG participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS AG, then SIX Swiss Exchange AG and SIX SIS AG are liable only for the careful selection and instruction.

No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

The Framework Agreement for Collateral Secured Instruments between SIX Swiss Exchange AG, SIX SIS AG, the Issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch, is provided in the Annex to the Securities Note, as supplemented.

III. TERMS AND CONDITIONS

*The Terms and Conditions consist of the following parts (referred to together as the "**Terms and Conditions**"):*

- (a) the Issue Specific Conditions as set out under III.1 (the "**Issue Specific Conditions**"), which comprise*
 - (i) Part A. Product Specific Conditions; and*
 - (ii) Part B. Underlying Specific Conditions; together with*
- (b) the General Conditions as set out under III.2 a) and b) (the "**General Conditions**").*

*The respective Final Terms will (A) (i) replicate the applicable optional Issue Specific Conditions and (ii) contain new issue specific information in connection with these applicable Issue Specific Conditions (the "**Replication Conditions**") or (B) (i) specify and complete the relevant Product Specific Conditions and Underlying Specific Conditions and (ii) contain new issue specific information (the "**Reference Conditions**"). New information shall be included in the Final Terms solely in compliance with the requirements for Category B and Category C information items in Annex XX of the Prospectus Regulation. With respect to each individual series of Products, the Issue Specific Conditions, (A) in the form in which they are replicated in the Final Terms (in the case of Replication Conditions) and/or (B) in the form in which they are specified and completed (in the case of Reference Conditions), and the General Conditions shall contain the Terms and Conditions applicable to the respective series of Products (the "**Conditions**"). The Issue Specific Conditions, in the form in which they are (A) replicated in the Final Terms (in the case of Replication Conditions) or (B) specified and completed in the Final Terms (in the case of Reference Conditions), must be read together with the General Conditions.*

1. Issue Specific Conditions

Part A. Product Specific Conditions

[in the case of Bonus Certificates with Cash Settlement (Product No. 1), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities

account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form ("**Bearer Securities**").

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:]

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities

(*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

- (a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

- (b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the

collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security

Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with

all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of the Underlying during the Initial Fixing Period.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i)= Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the

Annex].]

["**Business Day**" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

["**Issue Price**" means the issue price as specified in **Table 1** in the Annex.]

["**Issue Surcharge**" means the issue surcharge as specified in **Table 1** in the Annex.]

["**Issue Date**" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

["**Conversion Ratio**" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

["**Barrier Observation Period**" means the barrier observation period as specified in **Table 1** in the Annex.]

["**Barrier Event**" has occurred if [the Final Fixing Level is [equal to or] below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the*

Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][**2**] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"] ["Share"] ["Security representing Shares"] ["Commodity"] ["Currency Exchange Rate"] ["Futures Contract"] ["Fixed Rate Instrument"] ["Derivative Instrument"] ["Fund Unit"])] [*insert in the case of a share as Underlying or Basket Component:*, as issued by the Share Issuer].]

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[*insert in the case of shares as Underlying or Basket Component: "Exchange"* means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

"Bonus Level" means the bonus level as specified in **Table 1** in the Annex.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the

Final Fixing Date.]]the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.]]the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

["Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

["Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

["Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

["Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as

determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: •]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [•] [of the Underlying] [of a Basket Component] [in *[insert currency: •]*] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [•] *[insert Internet site: •]* or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["**Website**" means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**" means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["**Paying Agent**" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) *Redemption Amount*

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the [Final Fixing Level multiplied by the Conversion Ratio][Issue Price multiplied by the Performance of the Underlying].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).]

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) *Minimum Redemption*

Provided that no Barrier Event has occurred, the Redemption Amount equals at least the Bonus Level multiplied by the Conversion Ratio (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:]

(3) *Currency exchange*

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the*

Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion. *[[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]*

[[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) the [Final Fixing Level multiplied by the Conversion Ratio][Issue Price multiplied by the Performance of the Underlying].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).]

The Redemption Amount will be *[[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that no Barrier Event has occurred, the Redemption Amount equals at least the Bonus Level multiplied by the Conversion Ratio (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing*

Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]]*insert if Quanto is applicable:* at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) Payments

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is

cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) *Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer*

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework

Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds,

payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Bonus Certificates with potential Physical Settlement (Product No. 2), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form ("**Bearer Securities**").

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

- (a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

- (b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) *Term of the Products*

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a

day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in *[insert principal financial centre for such currency: •].*

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Date" means [the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1.**]

"Barrier Event" has occurred if [the Final Fixing Level is [equal to or] below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]]*

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the **["Index"]** **["Share"]** **["Security representing Shares"]** **["Commodity"]** **["Currency Exchange Rate"]** **["Futures Contract"]** **["Fixed Rate Instrument"]** **["Derivative Instrument"]** **["Fund Unit"]**) *[insert in the case of a share as Underlying or Basket Component: as issued by the Share Issuer].]*

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Bonus Level" means the bonus level as specified in **Table 1** in the Annex.]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with*

subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[*insert in the case of an index as Underlying or Basket Component: "Index Sponsor"* means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] [*insert Internet site: •*] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: •*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [•] [of the Underlying] [of a Basket Component] [in [*insert currency: •*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on

[Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency"] means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date"] means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance"] means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System"] means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date"] means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day"] has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website"] means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page"] means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor"] means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent"] means the paying agent as specified in **Table 1** in the Annex.]

§ 4 Redemption

[insert if COSI is applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a physical delivery of the Underlying and subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Minimum Redemption Amount pursuant to paragraph (2).

(2) Minimum Redemption

Provided that no Barrier Event has occurred and the Final Fixing Level of the Underlying is equal to or below the Initial Fixing Price multiplied by the Bonus Level, the Redemption Amount equals the Bonus Level multiplied by the Issue Price (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable:* converted into the Settlement Currency in accordance with paragraph (4) and] commercially rounded to two (2) decimal places.

(3) Physical Delivery

Provided that (i) a Barrier Event has occurred or (ii) no Barrier Event has occurred and the Final Fixing Level of the Underlying is above the Initial Fixing Level multiplied by the Bonus Level, the Issuer will redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a physical delivery of the Underlying, the Minimum Redemption Amount pursuant to paragraph (2).

(2) Minimum Redemption

Provided that no Barrier Event has occurred and the Final Fixing Level of the Underlying is equal to or below the Initial Fixing Price multiplied by the Bonus Level, the Redemption Amount equals the Bonus Level multiplied by the Issue Price (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.

(3) Physical Delivery

Provided that (i) a Barrier Event has occurred or (ii) no Barrier Event has occurred and the Final Fixing Level of the Underlying is above the Initial Fixing Level multiplied by the Bonus Level, the Issuer will redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or

actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments, Physical Delivery

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, or the delivery of the Underlying or any other amount to be paid pursuant to § 4 of the Issue Specific Conditions to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9
(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10
Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) Distribution and market making

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) Risks

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value

(determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from

the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the

amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by

the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Capped Bonus Certificates with Cash Settlement and with par value (Product No. 3), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form ("**Bearer Securities**").

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): $\text{Number of Basket Component}_{(i)} = \text{Denomination} * \text{Initial Weighting}_{(i)} / \text{Initial Fixing Level}_{(i)}$.] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or

Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.].

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

["Issue Price" means the issue price as specified in **Table 1** in the Annex.]

["Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

["Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

["Barrier Observation Period" means the barrier observation period as specified in **Table 1**.]

["Barrier Event" has occurred if [the Final Fixing Level is [equal to or] below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]]*

["Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the **["Index"]** **["Share"]** **["Security representing Shares"]** **["Commodity"]** **["Currency Exchange Rate"]** **["Futures Contract"]** **["Fixed Rate Instrument"]** **["Derivative Instrument"]** **["Fund Unit"]**) *[insert in the case of a share as Underlying or Basket Component:., as issued by the Share Issuer].]*

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Bonus Level" means the bonus level as specified in **Table 1** in the Annex.]

["Cap Level" means the Cap Level as specified in **Table 1** in the Annex.]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Final Basket Value" means the sum of the Final Levels of all Basket Components.]

["Final Level of a Basket Component" means the Final Fixing Level of the Basket Component multiplied by the Number of Basket Component. Accordingly, the Final Level of a Basket

Component will be calculated as follows:

$$\text{Final Level of a Basket Component} = W_{(i)} * Ff_{(i)}$$

whereby

" $W_{(i)}$ " means Number of Basket Component and

" $Ff_{(i)}$ " means the Final Fixing Level of the Basket Component.]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

["Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: **"Index Sponsor"** means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

["Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

["Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site:* •] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

["Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on

any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next

following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the Denomination multiplied by the quotient of the Final Basket Value (dividend) and the Initial Basket Value (divisor).

The Redemption Amount will be *[insert if Currency Conversion is applicable:* converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and] commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that (i) no Barrier Event has occurred and (ii) the Final Basket Value is equal to or below the Initial Basket Value multiplied by the Bonus Level, the Redemption Amount equals at least the Bonus Level multiplied by the Denomination (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable:* converted into the Settlement Currency in accordance with paragraph (4) and] commercially

rounded to two (2) decimal places.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination multiplied by the Cap Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3) the Denomination multiplied by the quotient of the Final Basket Value (dividend) and the Initial Basket Value (divisor).

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially

rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that (i) no Barrier Event has occurred and (ii) the Final Basket Value is equal to or below the Initial Basket Value multiplied by the Bonus Level, the Redemption Amount equals at least the Bonus Level multiplied by the Denomination (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination multiplied by the Cap Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9
(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10
Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a

SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the

liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from

the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the

amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by

the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Capped Bonus Certificates with Cash Settlement and without par value (Product No. 4), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form ("**Bearer Securities**").

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or

Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.].

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

["Issue Price" means the issue price as specified in **Table 1** in the Annex.]

["Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

["Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

["Barrier Observation Period" means the barrier observation period as specified in **Table 1**.]

["Barrier Event" has occurred if [the Final Fixing Level is [equal to or] below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]]*

["Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the **["Index"]** **["Share"]** **["Security representing Shares"]** **["Commodity"]** **["Currency Exchange Rate"]** **["Futures Contract"]** **["Fixed Rate Instrument"]** **["Derivative Instrument"]** **["Fund Unit"]**) *[insert in the case of a share as Underlying or Basket Component:., as issued by the Share Issuer].]*

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Bonus Level" means the bonus level as specified in **Table 1** in the Annex.]

["Cap Level" means the Cap Level as specified in **Table 1** in the Annex.]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending

prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [●] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] *[insert Internet site: ●]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: ●]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in *[insert currency: ●]*] [as determined on the

relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4
Redemption

[insert if COSI is applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Issue Price multiplied by the Performance of the Underlying.

The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that [(i)] no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level multiplied by the Bonus Level], the Redemption Amount equals [at least] the Bonus Level multiplied by the Issue Price (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price multiplied by the Cap Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3), the Issue Price multiplied by the Performance of the Underlying.

The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that [(i)] no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level multiplied by the Bonus Level], the Redemption Amount equals [at least] the Bonus Level multiplied by the Issue Price (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially

rounded to two (2) decimal places.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price multiplied by the Cap Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) *Documentation*

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in

the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is

challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website;

as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds

are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day

immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange

III. TERMS AND CONDITIONS

standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Capped Bonus Certificates with potential Physical Settlement (Product No. 5), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

- (a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

- (b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a

day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in *[insert principal financial centre for such currency: •].*

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

*[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in *[insert currency: •]*] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]*

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1.**]

"Barrier Event" has occurred if [the Final Fixing Level is [equal to or] below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table [1][2]** in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]]*

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the **["Index"]** **["Share"]** **["Security representing Shares"]** **["Commodity"]** **["Currency Exchange Rate"]** **["Futures Contract"]** **["Fixed Rate Instrument"]** **["Derivative Instrument"]** **["Fund Unit"]**) *[insert in the case of a share as Underlying or Basket Component:., as issued by the Share Issuer].]*

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Bonus Level" means the bonus level as specified in **Table 1** in the Annex.]

["Cap Level" means the Cap Level as specified in **Table 1** in the Annex.]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference [of the respective Basket Component] Price on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending

prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: •]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Bonus Level" means the bonus level as specified in **Table 1** in the Annex.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price]

[●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["**Reference Currency**"] means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["**Redemption Date**"] means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["**Worst Performance**"] means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["**TARGET2 System**"] means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["**Final Fixing Date**"] means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["**Scheduled Trading Day**"] has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["**Website**"] means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**"] means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**"] means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent"] means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a physical delivery of the Underlying and subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Minimum Redemption Amount pursuant to paragraph (2) which is equal to the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

Provided that [(i)] no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level of the Underlying is above the Issue Price multiplied by the Bonus Level], the Redemption Amount equals the Bonus Level multiplied by the Issue Price (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable:]* converted into the Settlement Currency in accordance with paragraph (5) and] commercially rounded to two (2) decimal places.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price multiplied by the Cap Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable:]* converted into the Settlement Currency in accordance with paragraph (5) and] commercially rounded to two (2) decimal places.

(4) Physical Delivery

Provided that a Barrier Event has occurred [and the Final Fixing Level of the Underlying is equal to or below the Issue Price multiplied by the Bonus Level], the Issuer will redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu

of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:]

(5) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a physical delivery of the Underlying, the Minimum Redemption Amount pursuant to paragraph (2) which is equal to the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

Provided that [(i)] no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level of the Underlying is above the Issue Price multiplied by the Bonus Level], the Redemption Amount equals the Bonus Level multiplied by the Issue Price (the "**Minimum Redemption Amount**").

The Minimum Redemption Amount will be *[insert if Currency Conversion is applicable:]*

converted into the Settlement Currency in accordance with paragraph (5) and] commercially rounded to two (2) decimal places.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price multiplied by the Cap Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be [*insert if Currency Conversion is applicable:* converted into the Settlement Currency in accordance with paragraph (5) and] commercially rounded to two (2) decimal places.

(4) Physical Delivery

Provided that a Barrier Event has occurred [and the Final Fixing Level of the Underlying is equal to or below the Issue Price multiplied by the Bonus Level], the Issuer will redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.

[*insert if Currency Conversion is applicable:*

(5) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent [*insert if Quanto is not applicable:* on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the

exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion. *[[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments, Physical Delivery

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, or the delivery of the Underlying or any other amount to be paid pursuant to § 4 of the Issue Specific Conditions to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from

time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq

Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the

COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) *Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer*

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all

COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares

of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Notes (Reverse Convertibles) with Cash Settlement (Product No. 6), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Note**" or a "**Product**" and together the "**Notes**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each

participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic

ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for

these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial

centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Strike Level" means the strike level as specified in **Table 1**.]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

*[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any*

successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

"Coupon Payment Date" means the coupon payment date as specified in **Table 1** in the Annex or, if this date is not a Business Day, the next following Business Day.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

["Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being

calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3), or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Denomination multiplied by the Performance of the Underlying.

The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Strike Level (divisor).

The Redemption Amount will be commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that the Final Fixing Level of the Underlying is above the Strike Level, the Redemption Amount equals the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").]

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3), the Denomination multiplied by the Performance of the Underlying.

The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Strike Level (divisor).

The Redemption Amount will be commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that the Final Fixing Level of the Underlying is above the Strike Level, the Redemption Amount equals the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").]

§ 5

Interest, Coupon Payments

For the Product a coupon payment shall be made in the Settlement Currency on the Coupon Payment Date in the amount (the "**Coupon Amount**") specified for the Coupon Payment Date in **Table 1** in the Annex. Any postponement of the Coupon Payment Date has no effect on the Coupon Amount (see § 8 (1) of the Issue Specific Conditions).

§ 6

(intentionally left blank)

§ 7

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§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date. The Issuer shall transfer the Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Redemption Date or Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9
(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10
Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) Distribution and market making

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) Risks

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value

(determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from

the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the

amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by

the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Notes (Reverse Convertibles) with potential Physical Settlement (Product No. 7), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Note**" or a "**Product**" and together the "**Notes**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each

participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic

ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for

these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a

day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in *[insert principal financial centre for such currency: •].*

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].

"Issue Price" means the issue price as specified in **Table 1** in the Annex.

"Strike Level" means the strike level as specified in **Table 1**.

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.

"Conversion Ratio" means the conversion ratio as specified in **Table 1** in the Annex.

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

"Coupon Payment Date" means the coupon payment date as specified in **Table 1** in the Annex or, if this date is not a Business Day, the next following Business Day.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on

[relevant Reuters] [relevant Bloomberg] page [●] [*insert Internet site: ●*] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

"Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing

Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption, Physical Delivery

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a physical settlement pursuant to paragraph (4) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Minimum Redemption Amount pursuant to paragraph (2) which equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

Provided that the Final Fixing Level is above the Strike Level, the Redemption Amount equals the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

(4) Settlement by delivery

If the Final Fixing Level is equal to or below the Strike Level, the Issuer will redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.]

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a physical settlement pursuant to paragraph (4), the Minimum Redemption Amount pursuant to paragraph (2) which equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

Provided that the Final Fixing Level is above the Strike Level, the Redemption Amount equals the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

(4) Settlement by delivery

If the Final Fixing Level is equal to or below the Strike Level, the Issuer will redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.]

§ 5**Interest, Coupon Payments**

For the Product a coupon payment shall be made in the Settlement Currency on the Coupon Payment Date in the amount (the "**Coupon Amount**") specified for the Coupon Payment Date in **Table 1** in the Annex. Any postponement of the Coupon Payment Date has no effect on the Coupon Amount (see § 8 (1) of the Issue Specific Conditions).

§ 6**(intentionally left blank)****§ 7****(intentionally left blank)**

§ 8**Payments, Physical Delivery****(1) *Payments, Physical Delivery***

The Issuer shall cause the delivery of the Underlying or the claimed Redemption Amount, if any, or any other amount to be paid pursuant to § 4 of the Issue Specific Conditions to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date. The Issuer shall transfer the Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Redemption Date or Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10**Collateral Secured Instruments (COSI)****(1) *Collateralization of the Product***

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments».

The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond

floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects,

unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation

proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments	

(COSI)"

investor

Holder

issuer

Issuer

issuing
conditions

Terms and Conditions, Conditions

maturity

Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Notes (Barrier Reverse Convertibles) with Cash Settlement (Product No. 8), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Note**" or a "**Product**" and together the "**Notes**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons,

other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all

applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial

centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1** in the Annex.]

"Barrier Event" has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the Reference Price of [at least] a Basket Component is [equal to or] below the Barrier Level specified in **Table 1][2]** in the Annex, as determined by the Calculation Agent] [the [Price][Reference Price] of [at least] [a][two or more] Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1][2]** in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.] [the [Price][Reference Price] [Final Fixing Level] of [a][two or more] Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1][2]** in the Annex [at any time during the Barrier Observation Period]], as determined by the Calculation Agent.]]*

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the **["Index"]** **["Share"]** **["Security representing Shares"]** **["Commodity"]** **["Currency Exchange Rate"]** **["Futures Contract"]** **["Fixed Rate Instrument"]** **["Derivative Instrument"]** **["Fund Unit"]**) *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Coupon Payment Date" means the coupon payment date as specified in **Table 1** in the Annex or, if this date is not a Business Day, the next following Business Day.]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by

the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: •]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price]

[●] [of the Underlying] [of a Basket Component] [in [*insert currency*: ●]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site*: ●] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["**Reference Currency**"] means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["**Redemption Date**"] means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["**Worst Performance**"] means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["**TARGET2 System**"] means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["**Final Fixing Date**"] means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["**Scheduled Trading Day**"] has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["**Website**"] means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**"] means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**"] means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Denomination multiplied by the [Performance of the Underlying][Worst Performance].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).]

The Redemption Amount will be commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that [(i) no Barrier Event has occurred or (ii) a Barrier Event has occurred and the Final Fixing Level of the Underlying is above the Initial Fixing Level][no Barrier Event has occurred], the Redemption Amount equals the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").]

[insert if COSI is not applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3), the Denomination multiplied by the [Performance of the Underlying][Worst Performance].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).]

The Redemption Amount will be commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that [(i) no Barrier Event has occurred or (ii) a Barrier Event has occurred and the Final Fixing Level of the Underlying is above the Initial Fixing Level][no Barrier Event has occurred], the Redemption Amount equals the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").]

§ 5

Interest, Coupon Payments

For the Product a coupon payment shall be made in the Settlement Currency on the Coupon Payment Date in the amount (the "**Coupon Amount**") specified for the Coupon Payment Date in **Table 1** in the Annex. Any postponement of the Coupon Payment Date has no effect on the Coupon Amount (see § 8 (1) of the Issue Specific Conditions).

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) Payments

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date. The Issuer shall transfer the Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Redemption Date or Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3

of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the

COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special

Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation

is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his

right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral

is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Notes (Barrier Reverse Convertibles) with potential Physical Settlement (Product No. 9), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Note**" or a "**Product**" and together the "**Notes**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtebuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a

day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in *[insert principal financial centre for such currency: •].*

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Conversion Ratio" means the conversion ratio as specified in **Table 1** in the Annex.]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1** in the Annex.]

"Barrier Event" has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of [a][two or more] Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.] [the [Price[s]][Reference Price[s]] [Final Fixing Level[s]] of [a][two or more] Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex [at any time during the Barrier Observation Period]], as determined by the Calculation Agent.]]*

["Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Coupon Payment Date" means the coupon payment date as specified in **Table 1** in the Annex or, if this date is not a Business Day, the next following Business Day.]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next

following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: •]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency*: ●]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site*: ●] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption, Physical Delivery

[insert if COSI is applicable:]

(1) Redemption Amount

The **"Redemption Amount"** in the Settlement Currency per Product equals, subject to a physical settlement pursuant to paragraph (4) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Minimum Redemption Amount pursuant to paragraph (2) which equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

Provided that [(i)] no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level], the Redemption Amount equals the Denomination (the **"Minimum Redemption Amount"**).

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the **"Maximum Redemption Amount"**).

(4) Settlement by delivery

If a Barrier Event has occurred [and the Final Fixing Level reaches or falls below the Initial Fixing Level], the Issuer will redeem the Products by way of delivery of a number of the [Underlying][Basket Component with the Worst Performance] expressed by the Conversion Ratio, with fractions of the [Underlying][relevant Basket Component] not being delivered but redeemed by way of payment of a cash payment amount for fractions (the **"Cash Payment Amount for Fractions"**). Should the delivery of the [Underlying][relevant Basket Component], for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the **"Compensation Amount"**) in lieu of delivery of the [Underlying][relevant Basket Component]. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the [Underlying][relevant Basket Component] in the case of the Cash Payment Amount for Fractions or to the number of the

[Underlying][relevant Basket Component] in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the [Underlyings][relevant Basket Components] to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.]

[insert if COSI is not applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a physical settlement pursuant to paragraph (4), the Minimum Redemption Amount pursuant to paragraph (2) which equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

Provided that [(i)] no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level], the Redemption Amount equals the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

(4) Settlement by delivery

If a Barrier Event has occurred [and the Final Fixing Level reaches or falls below the Initial Fixing Level], the Issuer will redeem the Products by way of delivery of a number of the [Underlying][Basket Component with the Worst Performance] expressed by the Conversion Ratio, with fractions of the [Underlying][relevant Basket Component] not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the [Underlying][relevant Basket Component], for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the [Underlying][relevant Basket Component]. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the [Underlying][relevant Basket Component] in the case of the Cash Payment Amount for Fractions or to the number of the [Underlying][relevant Basket Component] in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the [Underlyings][relevant Basket Components] to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the

case may be, shall be commercially rounded to two (2) decimal places.]

§ 5

Interest, Coupon Payments

For the Product a coupon payment shall be made in the Settlement Currency on the Coupon Payment Date in the amount (the "**Coupon Amount**") specified for the Coupon Payment Date in **Table 1** in the Annex. Any postponement of the Coupon Payment Date has no effect on the Coupon Amount (see § 8 (1) of the Issue Specific Conditions).

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments, Physical Delivery

(1) *Payments, Physical Delivery*

The Issuer shall cause the delivery of the Underlying or Basket Component, as the case may be, or the claimed Redemption Amount, if any, or any other amount to be paid pursuant to § 4 of the Issue Specific Conditions to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date. The Issuer shall transfer the Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Redemption Date or Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from

time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq

Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the

COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) *Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer*

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all

COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares

of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of *Discount Certificates with Cash Settlement (Product No. 10)*, insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of *Swiss Uncertificated Securities*:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a

day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [*insert principal financial centre for such currency: •*].]

[*insert in the case of Products denominated in Euro*: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[*insert in the case of Products denominated in US Dollar*: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[*insert in the case of a currency and/or one or more Business Centres*: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [*insert currency: •*]] [in the Business Centre[s]] [*if no currency is indicated, insert: in each of the Business Centres*].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] [*insert in the case of a share as Underlying or Basket Component*., as issued by the Share Issuer].]

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in

Table 2 in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means], in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]

"Cap Level" means the Cap Level as specified in **Table 1** in the Annex.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the

relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] [*insert Internet site: ●*] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

"Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Maximum Redemption pursuant to paragraph (2) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the Final Fixing Level multiplied by the Conversion Ratio.

The Redemption Amount will be *[insert if Currency Conversion is applicable:]* converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and] commercially

rounded to two (2) decimal places.

(2) Maximum Redemption

Provided that the Final Fixing Level is above the Cap Level, the Redemption Amount equals the Cap Level multiplied by the Conversion Ratio (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Maximum Redemption pursuant to paragraph (2) the Final Fixing Level multiplied by the Conversion Ratio.

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Maximum Redemption

Provided that the Final Fixing Level is above the Cap Level, the Redemption Amount equals the Cap Level multiplied by the Conversion Ratio (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7
(intentionally left blank)

§ 8
Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9
(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) *Documentation*

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in

the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is

challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website;

as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds

are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day

immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange

standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Discount Certificates with potential Physical Settlement (Product No. 11), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each

participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:]

(a) **Bearer Securities**

The Products are issued in bearer form ("**Bearer Securities**").

(b) **Permanent Global Note, Holder**

[insert in the case of Swiss CBF Bearer Securities:]

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in

accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for

these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SLX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): $\text{Number of Basket Component}_{(i)} = \text{Denomination} * \text{Initial Weighting}_{(i)} / \text{Initial Fixing Level}_{(i)}$.] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial

centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: as issued by the Share Issuer].]*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means], in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

"Cap Level" means the Cap Level as specified in **Table 1** in the Annex.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component]][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [●] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] *[insert Internet site: ●]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the

Calculation Agent.]]

["Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

["Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one ore more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing

Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component]]all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption, Physical Delivery

[insert if COSI is applicable:]

(1) Physical Delivery

The Issuer will, subject to a Maximum Redemption pursuant to paragraph (2) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the

Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.

(2) Maximum Redemption

Provided that the Final Fixing Level is above the Cap Level, the Redemption Amount equals the Cap Level multiplied by the Conversion Ratio (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("**Quanto**").]*

[insert if COSI is not applicable:

(1) Physical Delivery

The Issuer will, subject to a Maximum Redemption pursuant to paragraph (2), redeem the Products by way of delivery of a number of the Underlying expressed by the Conversion Ratio, with fractions of the Underlying not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the Underlying, for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the Underlying. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either

related to the fraction of the Underlying in the case of the Cash Payment Amount for Fractions or to the number of the Underlying in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the Underlyings to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.

(2) Maximum Redemption

Provided that the Final Fixing Level is above the Cap Level, the Redemption Amount equals the Cap Level multiplied by the Conversion Ratio (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("**Quanto**").]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments, Physical Delivery

(1) *Payments*

The Issuer shall cause the delivery of the Underlying or the claimed Redemption Amount, if any, or any other amount to be paid pursuant to § 4 of the Issue Specific Conditions to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date. If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) *Documentation*

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in

the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws

governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or

regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) *Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer*

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) *Costs of liquidation and payout for the benefit of the investors*

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to

SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are

involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured	

Instruments
(COSI)"

investor Holder

issuer Issuer

issuing Terms and Conditions, Conditions
conditions

maturity Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Express Certificates with Cash Settlement and without par value (Product No. 12), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) **Bearer Securities**

The Products are issued in bearer form ("**Bearer Securities**").

(b) **Permanent Global Note, Holder**

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer or an early redemption [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [the lowest Reference Price of the [Underlying][respective Basket Component] during the Initial Fixing Observation Dates, as determined by the Calculation Agent] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Observation Dates" means the initial fixing observation dates as specified in **Table 1** in the Annex.]

"Initial Fixing Period" means the initial fixing period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the

Annex].]

["**Business Day**" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

["**Issue Date**" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

["**Issue Price**" means the issue price as specified in **Table 1** in the Annex.]

["**Issue Surcharge**" means the issue surcharge as specified in **Table 1** in the Annex.]

["**Conversion Ratio**" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

["**Autocall Observation Date**" means [each of the autocall observation dates as specified in **Table 3** in the Annex or, if such date is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in relation to the relevant Basket Component]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Autocall Observation Date [in respect of one or more Basket Components], the relevant Autocall Observation Date [in relation to the relevant Basket

Component] shall be postponed accordingly.]]

"Autocall Event" has occurred if on an Autocall Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Autocall Trigger Level relevant for such date.]

"Autocall Trigger Level" means the Autocall Trigger Level in respect of the relevant Autocall Observation Date [with respect to the relevant Basket Component] as specified in **Table 3** in the Annex.]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1** in the Annex.]

"Barrier Event" has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] [*insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] [Final Fixing Level] of [a][at least one] Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex [at any time during the Barrier Observation Period]], as determined by the Calculation Agent.]]]*

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] [*insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer.*].]

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[*insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect*

of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

"Coupon Amount" means the coupon amount as specified in **Table 1** in the Annex.]

"Coupon Observation Date" means [each of the coupon observation dates as specified in **Table 3** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Coupon Observation Date [in respect of one or more Basket Components], the relevant Coupon Observation Date [in relation to [the relevant Basket Component][all Basket Components]] shall be postponed accordingly.]]

"Coupon Trigger Event" has occurred if on a Coupon Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Coupon Trigger Level relevant for such date.]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table 1[3]1** in the Annex [with respect to the relevant Basket Component].]

"Coupon Payment Date" means the coupon payment date as specified in **Table 1[3]** in the Annex or, if this date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Coupon Observation Date, the relevant Coupon Payment Date shall be postponed accordingly.]]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with*

subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex *[for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: •]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [•] [of the Underlying] [of a Basket Component] [in *[insert currency: •]*] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on

[Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency"] means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date"] means, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance"] means the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]

["TARGET2 System"] means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date"] means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day"] has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Early Redemption Date"] means each of the early redemption dates as specified in **Table 3** in the Annex or, if an Early Redemption Date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Autocall Observation Date, the relevant Early Redemption Date shall be postponed accordingly.]]

["Website"] means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page"] means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor"] means the exchange rate sponsor as specified in **Table 2** in the

Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4 Redemption

[insert if COSI is applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and a Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the Issue Price multiplied by the [Performance of the Underlying][Worst Performance].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).]

The Redemption Amount will be *[insert if Currency Conversion is applicable:* converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and] commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that (i) no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level] the Redemption Amount equals the Issue Price.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable:* converted into the Settlement Currency in accordance with paragraph (4) and] commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and a Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3), the Issue Price multiplied by the [Performance of the Underlying][Worst Performance].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor).]

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Minimum Redemption

Provided that [(i)] no Barrier Event has occurred [or (ii) a Barrier Event has occurred and the Final Fixing Level is above the Initial Fixing Level] the Redemption Amount equals the Issue Price.

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

§ 5

Interest, Coupon Payments

[(1) Coupon Payments]

[If a Coupon Trigger Event has occurred on a Coupon Observation Date [and the Reference Price is above the Initial Fixing Level], a coupon payment is made in the Settlement Currency for the products on the applicable Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] [If a Coupon Trigger Event has not occurred [and no Barrier Event has occurred] [and the Final Fixing Level of the Underlying is above the Initial Fixing Level], the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.]] [The Holder receives a coupon payment on the respective Coupon Payment Date in the

amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] In the case of a redemption at the end of the term, the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.] [Provided that on the relevant Coupon Observation Date a Coupon Trigger Event has occurred, a Coupon payment shall be made for the Products on the relevant Coupon Payment Date. The coupon rate (the "**Coupon Rate**") relevant for the respective Coupon Observation Date is the Coupon Rate for the relevant Coupon Payment Date specified in **Table 3** in the Annex.] The Coupon Amount will be commercially rounded to two (2) decimal places. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.]

[(2) *Coupon Amount*

The Coupon Amount (the "**Coupon Amount**") is determined by multiplying the Issue Price by (i) the applicable Coupon Rate for the relevant Coupon Payment Date and by (ii) N.

"N" means in the case that

- (a) before the applicable Coupon Observation Date_(t) no Coupon Trigger Event has occurred, the number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to, in each case, the applicable Coupon Observation Date_(t) (inclusive), and in the case that
- (b) before the applicable Coupon Observation Date_(t) a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates_(t) between the Coupon Observation Date_(t) (exclusive) on which the last Coupon Trigger Event has occurred and the applicable Coupon Observation Date_(t) (inclusive) in each case.

[Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made. The Coupon Amount will be commercially rounded to two (2) decimal places.]]

§ 6

(intentionally left blank)

§ 7

Early Redemption

(1) *Conditions precedent for Early Redemption*

In the event that on any Autocall Observation Date an Autocall Event has occurred, the term of the Products shall end automatically on this Autocall Observation Date without the need for a separate termination of the Products by the Issuer (the "**Early Redemption**"). In this case the Redemption Amount to be paid by the Issuer equals the Issue Price.

(2) *Notification of Early Redemption*

Notice of the occurrence of Early Redemption and the value of the Redemption Amount to be paid per Product in this case shall be published in accordance with § 4 of the General Conditions.

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Early Redemption Date (in the case of an Early Redemption pursuant to § 7 of the Issue Specific Conditions) and/or the Redemption Date (in the case that no Early Redemption has occurred). The Issuer shall transfer the respective Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Early Redemption Date, the Redemption Date or a Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from

time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq

Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the

COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) *Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer*

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all

COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares

of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Express Certificates with Cash Settlement and with par value (Product No. 13), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size; Denomination*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer or an early redemption [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[insert in the case COSI is not applicable:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[insert in the case COSI is applicable:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [the lowest Reference Price of the [Underlying][respective Basket Component] during the Initial Fixing Observation Dates, as determined by the Calculation Agent] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Observation Dates" means the initial fixing observation dates as specified in **Table 1** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Strike Level" means the strike level as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]

"Autocall Observation Date" means [each of the autocall observation dates as specified in **Table 3** in the Annex or, if such date is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in relation to the relevant Basket Component]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Autocall Observation Date [in respect of one or more Basket Components], the relevant Autocall Observation Date [in relation to the relevant Basket Component] shall be postponed accordingly.]]

"Autocall Event" has occurred if on an Autocall Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Autocall Trigger Level relevant for such date.]

"Autocall Trigger Level" means the Autocall Trigger Level in respect of the relevant Autocall Observation Date [with respect to the relevant Basket Component] as specified in **Table 3** in the Annex.]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1** in the Annex.]

"Barrier Event" has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] [Final Fixing Level] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in Table 1][2] in the Annex [at any time during the Barrier Observation Period]], as determined by the Calculation Agent.]]]*

"Barrier Event" has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of [a][at least one] Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in Table 1][2] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]]*

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1 and 2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]

["Coupon Amount" means the coupon amount as specified in **Table 1** in the Annex.]

["Coupon Observation Date" means [each of the coupon observation dates as specified in **Table 3** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Coupon Observation Date [in respect of one or more Basket Components], the relevant Coupon Observation Date [in relation to [the relevant Basket Component][all Basket Components]] shall be postponed accordingly.]]

["Coupon Trigger Event" has occurred if on a Coupon Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Coupon Trigger Level relevant for such date.]

["Coupon Trigger Level" means the coupon trigger level as specified in **Table [1][3]1** in the Annex [with respect to the relevant Basket Component].]

["Coupon Payment Date" means the coupon payment date as specified in **Table [1][3]** in the Annex or, if this date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Coupon Observation Date, the relevant Coupon Payment Date shall be postponed accordingly.]]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the

Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

["Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: **"Index Sponsor"** means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

["Initial Weighting_(i)" means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

["Price" [means the [[offer] [mid] [bid] price] [●] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] *[insert Internet site: ●]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Relevant Performance" [of the relevant Basket Component] means the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]

["Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert*

other method for determining Relevant Exchange Rate: •. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [•] [of the Underlying] [of a Basket Component] [in [*insert currency*: •]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [•] [*insert Internet site*: •] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date.]]

["Worst Performance" means the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["**Scheduled Trading Day**" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["**Early Redemption Date**" means each of the early redemption dates as specified in **Table 3** in the Annex or, if an Early Redemption Date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Autocall Observation Date, the relevant Early Redemption Date shall be postponed accordingly.]]

["**Website**" means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**" means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["**Paying Agent**" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:

(1) *Redemption Amount*

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and a Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the Denomination multiplied by the [Performance of the Underlying][Worst Performance].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the [Initial Fixing Level][Strike Level] (divisor).]

The Redemption Amount will be [insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and] commercially rounded to two (2) decimal places.

(2) *Minimum Redemption*

[Provided that no Barrier Event has occurred the Redemption Amount equals the Denomination.][Provided that the Final Fixing Level is above the Strike Level, the Redemption

Amount equals the Denomination.]

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and a Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3), the Denomination multiplied by the [Performance of the Underlying][Worst Performance].

[The "**Performance of the Underlying**" equals the quotient of the Final Fixing Level (dividend) and the [Initial Fixing Level][Strike Level] (divisor).]

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the*

Settlement Currency in accordance with paragraph (4), as the case may be, and] commercially rounded to two (2) decimal places.

(2) *Minimum Redemption*

[Provided that no Barrier Event has occurred the Redemption Amount equals the Denomination.][Provided that the Final Fixing Level is above the Strike Level, the Redemption Amount equals the Denomination.]

(3) *Maximum Redemption*

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(4) *Currency exchange*

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("**Quanto**").]*

§ 5

Interest, Coupon Payments**[(1) *Coupon Payments*]**

[If a Coupon Trigger Event has occurred on a Coupon Observation Date, a coupon payment is made in the Settlement Currency for the products on the applicable Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] [If a Coupon Trigger Event has not occurred and [no Barrier Event has occurred][the Final Fixing Level is above [the Strike Level][●% of the Initial Fixing Level]], the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][The Holder receives a coupon payment on the respective Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] In the case of a redemption at the end of the term, the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][Provided that on the relevant Coupon Observation Date a Coupon Trigger Event has occurred, a Coupon payment shall be made for the Products on the relevant Coupon Payment Date. The coupon rate (the "**Coupon Rate**") relevant for the respective Coupon Observation Date is the Coupon Rate for the relevant Coupon Payment Date specified in **Table 3** in the Annex.]

[(2) *Coupon Amount*]

The Coupon Amount (the "**Coupon Amount**") is determined by multiplying the Denomination by (i) the applicable Coupon Rate for the relevant Coupon Payment Date and by (ii) N.

"N" means [in the case that

- (a) before the applicable Coupon Observation Date_(t) no Coupon Trigger Event has occurred, the number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to, in each case, the applicable Coupon Observation Date_(t) (inclusive), and in the case that
- (b) before the applicable Coupon Observation Date_(t) a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates_(t) between the Coupon Observation Date_(t) (exclusive) on which the last Coupon Trigger Event has occurred and the applicable Coupon Observation Date_(t) (inclusive) in each case.] [the number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to the relevant Coupon Observation Date on which a Coupon Trigger Event has occurred.]

[Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] The Coupon Amount will be commercially rounded to two (2)

decimal places.]

§ 6
(intentionally left blank)

§ 7
Early Redemption

(1) *Conditions precedent for Early Redemption*

In the event that on any Autocall Observation Date an Autocall Event has occurred, the term of the Products shall end automatically on this Autocall Observation Date without the need for a separate termination of the Products by the Issuer (the "**Early Redemption**"). In this case the Redemption Amount to be paid by the Issuer equals the Denomination.

(2) *Notification of Early Redemption*

Notice of the occurrence of Early Redemption and the value of the Redemption Amount to be paid per Product in this case shall be published in accordance with § 4 of the General Conditions.

§ 8
Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Early Redemption Date (in the case of an Early Redemption pursuant to § 7 of the Issue Specific Conditions) and/or the Redemption Date (in the case that no Early Redemption has occurred). The Issuer shall transfer the respective Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Early Redemption Date, the Redemption Date or a Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is

deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq

Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the

COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) *Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer*

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all

COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares

of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Tracker Certificates with Cash Settlement (Product No. 14), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions*][*insert in the case Exercise by the Holder is applicable: or an exercise by the Holder pursuant to § 6 of the Issue Specific Conditions or an ordinary termination by the Issuer pursuant to § 9 of the Issue Specific Conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the [initial] relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): $\text{Number of Basket Component}_{(i)} = \text{Denomination} * \text{Initial Weighting}_{(i)} / \text{Initial Fixing Level}_{(i)}$.] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex]. [If the Issuer has received ordinary dividend payments between the Initial Fixing Date (exclusive) and the Final Fixing Date (exclusive) in respect of a Basket Component, the applicable net dividend (i.e. the dividend amount minus taxes) is reinvested in the applicable Basket Component, whereby the amount of the Basket Component for this Basket Component is

adjusted • working days after the receipt of the dividend payment by the Issuer.]]

["**Business Day**" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

["**Issue Date**" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

["**Issue Price**" means the issue price as specified in **Table 1** in the Annex.]

["**Issue Surcharge**" means the issue surcharge as specified in **Table 1** in the Annex.]

["**Conversion Ratio**" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

["**Underlying**" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"] ["Share"] ["Security representing Shares"] ["Commodity"] ["Currency Exchange Rate"] ["Futures Contract"] ["Fixed Rate Instrument"] ["Derivative Instrument"] ["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share*

Issuer].]

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Basket Performance" means the sum of the Relevant Performances.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

["Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "**Index Sponsor**" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

["**Initial Weighting_(i)**" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

["**Price**" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] [insert Internet site: •] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["**Relevant Performance**" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).][the Final Fixing Level multiplied by the Number of Basket Components and the Exchange Factor.]]

["**Relevant Reference Price**" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["**Relevant Exchange Rate**" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [insert other method for determining Relevant Exchange Rate: •]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["**Reference Price**" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [•] [of the Underlying] [of a Basket Component] [in [insert currency: •]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [•] [insert Internet site: •] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["**Reference Currency**" means the Reference Currency as specified in **Table 2** in the Annex [in

respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Exchange Factor" means 1 if the Reference Currency corresponds to the Settlement Currency. If the Reference Currency does not correspond to the Settlement Currency, Exchange Factor equals the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event (a) of an ordinary termination according to § 9 of the Issue Specific Conditions the Final Fixing Date is the Termination Date and (b) in the event of an exercise according to § 6 of the Issue Specific Conditions the Exercise Date.]] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Management Factor" means [the conversion of the Management Fee, which depends on the

term, and shall be calculated according to the following formula *[insert formula: ●]*. The Management Factor will be commercially rounded to ● decimal places on a daily basis.]

"Management Fee" means the [p.a.] management fee as specified in **Table 1** in the Annex.]

"Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

"Website" means the Website as specified in **Table 1** in the Annex.]

"Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

"Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

"Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The **"Redemption Amount"** in the Settlement Currency per Product equals, subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the product of (i) the [Final Fixing Level][Basket Performance], (ii) the Conversion Ratio[,] [and] (iii) the Management Factor [and (iv) the Exchange Factor].

The Redemption Amount will be *[insert if Currency Conversion is applicable:]* converted into the Settlement Currency in accordance with paragraph (2), as the case may be, and] commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:]

(2) Currency exchange, Exchange Factor

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable:]* . The Exchange Factor (the **"Exchange Factor"**) equals the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the

conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if *Quanto* is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("**Quanto**").]]

[insert if *COSI* is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals the product of (i) the [Final Fixing Level][Basket Performance], (ii) the Conversion Ratio[,] [and] (iii) the Management Factor [and (iv) the Exchange Factor].

The Redemption Amount will be [insert if *Currency Conversion* is applicable: converted into the Settlement Currency in accordance with paragraph (2), as the case may be, and] commercially rounded to two (2) decimal places.

[insert if *Currency Conversion* is applicable:

(2) Currency exchange, Exchange Factor

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent [insert if *Quanto* is not applicable: . The Exchange Factor (the "**Exchange Factor**") equals the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if *Quanto* is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("**Quanto**").]]

§ 5

Interest, Coupon Payments

The Products bear no interest.

[insert in the case Exercise by the Holder is applicable:]

§ 6

Exercise by the Holder

(1) *Exercise Right*

The Products can be exercised by the Holders according to the following provisions, subject to an ordinary or extraordinary termination of the Products by the Issuer pursuant to § 9 of the Issue Specific Conditions or § 13 of the Issue Specific Conditions, on any Exercise Date specified in **Table 1** in the Annex (each an "**Exercise Date**") (the "**Exercise Right**"). With the exercise of the Products on the relevant Exercise Date all rights arising from the exercised Products shall automatically lapse. In the event of an ordinary or extraordinary termination of the Products the Exercise Right shall end on the date of termination. With the exercise of the Products on the relevant Exercise Date all rights arising from the exercised Products shall automatically lapse.

(2) *Minimum Exercise Number*

Exercise Rights may only be exercised for at least the minimum exercise number as specified in **Table 1** in the Annex (the "**Minimum Exercise Number**") or a whole-number multiple thereof. Any exercise of a lower number of Products is invalid and without effect. Any exercise of a greater number of Products whose number is not fully divisible by the Minimum Exercise Number is deemed to be an exercise of the next smallest number of Products which is fully divisible by the Minimum Exercise Number.

(3) *Conditions precedent for effective Exercise*

For the effective exercise of the Product rights the Holder must (via the credit institution with which the Holder maintains the relevant securities account):

- (a) submit to the Paying Agent (§ 5 of the General Conditions), at the address or facsimile number as specified in **Table 1** in the Annex, a legally binding, signed exercise notice in writing containing all details required in paragraph 4;
- (b) transfer the Products to the account of the Paying Agent specified in Table 1 in the Annex (the "**Account**") at the Clearing System.

(4) Exercise Notice

The exercise notice (the "**Exercise Notice**") must contain:

- (a) the name and the address of the Holder,
 - (b) the description and number of Products for which exercised rights are being exercised, taking into account the Minimum Exercise Number,
 - (c) the specification of an appropriate account held with a credit institution to which the Redemption Amount is to be credited if applicable; and
 - (d) a declaration that neither the Holder nor the beneficial owner of the Products is a US person.
- The terms used in this paragraph have the meanings attached to them in Regulation S under the United States Securities Act of 1933, as amended from time to time.

The Exercise Notice is binding and irrevocable. The Exercise Notice shall be submitted to the Paying Agent (via the credit institution with which the Holder maintains the relevant securities account) on the Exercise Date by no later than noon (local time in Zurich).

If the number of Products specified in the Exercise Notice deviates from the number of Products transferred up to the Exercise Date, the smaller number taking into account the Minimum Exercise Number shall be deemed exercised. Any excess Products shall be transferred back to the Holder at the Holder's cost and risk.]

[insert in the case Exercise by the Holder is not applicable:]

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) Payments

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

[insert in the case ordinary termination by the Issuer is applicable:]

§ 9

Ordinary Termination by the Issuer

(1) Ordinary Termination Right of Issuer

The Issuer is entitled at any time to terminate all, but not individual, Products during their term via publication in accordance with § 4 of the General Conditions, stating the calendar date on which the termination will take effect (the "**Termination Date**") and observing a notice period of at least twelve month before the relevant Termination Date. For the purpose of calculating the Redemption Amount according to § 4 of the Issue Specific Conditions the Termination Date is deemed to be the Final Fixing Date as defined by these Conditions. If such day is not a Scheduled Trading Day, then the next following Scheduled Trading day shall be deemed the Final Fixing Date.

(2) Transfer of the Redemption Amount in case of ordinary termination

The Issuer shall by the Redemption Date, cause the Redemption Amount to be transferred to the Clearing System for crediting to the accounts of the Products depositors at the Clearing System. In the event of an ordinary termination according to paragraph (1), the notice referred to in § 8 (2) of the Issue Specific Conditions shall be deemed to have been made automatically.

(3) *Taxes, fees or other duties*

All taxes, fees and other duties incurred in connection with the payment of the Redemption Amount in case of ordinary termination shall be borne and paid by the Holder. The Issuer and/or Paying Agent may withhold from the relevant amount any taxes, fees or duties that have to be paid by the Holder in accordance with the above sentence.]

[insert in the case ordinary termination by the Issuer is not applicable:]

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) *Documentation*

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework**

Agreement. The Framework Agreement constitutes an integral part of these Conditions. In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and

payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding

the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the

banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these

participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Open End Tracker Certificates with Cash Settlement (Product No. 15), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued without a limited term. The term ends upon exercise by the Holders or upon ordinary or extraordinary termination by the Issuer [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[insert in the case COSI is not applicable:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[insert in the case COSI is applicable:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [initially] [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): $\text{Number of Basket Component}_{(i)} = \text{Denomination} * \text{Initial Weighting}_{(i)} / \text{Initial Fixing Level}_{(i)}$.] [Initial Weighting_(i) means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex]. [If the Issuer has received ordinary dividend payments between the Initial Fixing Date (exclusive) and the Final Fixing Date (exclusive) in respect of a Basket Component, the applicable net dividend (i.e. the dividend amount minus taxes) is reinvested in the applicable Basket Component, whereby the amount of the Basket Component for this Basket Component is adjusted ● working days after the receipt of the dividend payment by the Issuer.]]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1 and 2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Basket Performance" means the sum of the Relevant Performances.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

*[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]*

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]*

["Business Centre" means the business centre as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

["Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or

the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [●] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] [*insert Internet site: ●*] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).] [the Final Fixing Level multiplied by the Number of Basket Components and the Exchange Factor.]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

"Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following

Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Exchange Factor" means 1 if the Reference Currency corresponds to the Settlement Currency. If the Reference Currency does not correspond to the Settlement Currency, Exchange Factor equals the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [(a) in the event of an ordinary termination according to § 9 of the Issue Specific Conditions the Termination Date and (b) in the event of an exercise according to § 6 of the Issue Specific Conditions the fifth (5th) Scheduled Trading Day after the Exercise Date.] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Management Factor" means [the conversion of the Management Fee, which depends on the term, and shall be calculated according to the following formula [*insert formula: ●*]. The Management Factor will be commercially rounded to ● decimal places on a daily basis.]

["**Management Fee**" means the [p.a.] management fee as specified in **Table 1** in the Annex.]

["**Scheduled Trading Day**" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["**Website**" means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**" means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["**Paying Agent**" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the product of (i) [the Final Fixing Level][the Basket Performance], (ii) the Conversion Ratio[,] [and] (iii) the Management Factor [and (iv) the Exchange Factor].

The Redemption Amount will be *[insert if Currency Conversion is applicable:]* converted into the Settlement Currency in accordance with paragraph (2), as the case may be, and] commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:]

(2) Currency exchange, Exchange Factor

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable:]* . The Exchange Factor (the "**Exchange Factor**") equals the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding

page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if *Quanto* is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("**Quanto**").]]

[insert if *COSI* is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals the product of (i) [the Final Fixing Level][the Basket Performance], (ii) the Conversion Ratio[,] [and] (iii) the Management Factor [and (iv) the Exchange Factor].

The Redemption Amount will be [insert if *Currency Conversion* is applicable: converted into the Settlement Currency in accordance with paragraph (2), as the case may be, and] commercially rounded to two (2) decimal places.

[insert if *Currency Conversion* is applicable:

(2) Currency exchange, Exchange Factor

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent [insert if *Quanto* is not applicable: . The Exchange Factor (the "**Exchange Factor**") equals the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if *Quanto* is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("**Quanto**").]]

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

Exercise by the Holder**(1) *Exercise Right***

The Products can be exercised by the Holders according to the following provisions, subject to an ordinary or extraordinary termination of the Products by the Issuer pursuant to § 9 of the Issue Specific Conditions or § 13 of the Issue Specific Conditions, on any Business Day during the exercise period as specified in **Table 1** in the Annex (each the "**Exercise Period**") (the "**Exercise Right**"). In the event of a termination by the Issuer pursuant to § 9 of the Issue Specific Conditions, the Exercise Right may only be exercised until 12.00 am at the latest (local time in Zurich) five Scheduled Trading Days prior to the date of termination. With the exercise of the Products on the relevant Exercise Date all rights arising from the exercised Products shall automatically lapse. In the event of an ordinary or extraordinary termination of the Products before expiry of the Exercise Period, the Exercise Period shall end on the date of termination. With the exercise of the Products on the relevant Exercise Date all rights arising from the exercised Products shall automatically lapse.

(2) *Minimum Exercise Number*

[Exercise Rights may only be exercised for at least the minimum exercise number as specified in **Table 1** in the Annex (the "**Minimum Exercise Number**") or a whole-number multiple thereof. Any exercise of a lower number of Products is invalid and without effect. Any exercise of a greater number of Products whose number is not fully divisible by the Minimum Exercise Number is deemed to be an exercise of the next smallest number of Products which is fully divisible by the Minimum Exercise Number.

(3) *Conditions precedent for effective Exercise*

For the Product rights to be effectively exercised the Holder must, within the Exercise Period (via the credit institution with which the Holder maintains the relevant securities account):

- (a) submit to the Paying Agent (§ 5 of the General Conditions), at the address or facsimile number as specified in **Table 1** in the Annex, a legally binding, signed exercise notice in writing containing all details required in paragraph 4;
- (b) transfer the Products to the account of the Paying Agent specified in **Table 1** in the Annex (the "**Account**") at the Clearing System.

(4) Exercise Notice

The exercise notice (the "**Exercise Notice**") must contain:

- (a) the name and the address of the Holder,
- (b) the description and number of Products for which exercised rights are being exercised, taking into account the Minimum Exercise Number,
- (c) the specification of an appropriate account held with a credit institution to which the Redemption Amount is to be credited if applicable; and
- (d) a declaration that neither the Holder nor the beneficial owner of the Products is a US person. The terms used in this paragraph have the meanings attached to them in Regulation S under the United States Securities Act of 1933, as amended from time to time.

The Exercise Notice is binding and irrevocable. It shall take effect on the first Business Day within the Exercise Period on which all conditions specified in paragraphs 2 and 3 have been met no later than 12:00 am (local time in Zurich) (the "**Exercise Date**").

If the number of Products specified in the Exercise Notice deviates from the number of Products transferred up to the Exercise Date, the smaller number taking into account the Minimum Exercise Number shall be deemed exercised. Any excess Products shall be transferred back to the Holder at the Holder's cost and risk.]

§ 7

(intentionally left blank)

§ 8

Payments

(1) Payments

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the

deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

Ordinary Termination by the Issuer

(1) Ordinary Termination Right of Issuer

The Issuer is entitled at any time to terminate all, but not individual, Products during their term via publication in accordance with § 4 of the General Conditions, stating the calendar date on which the termination will take effect (the "**Termination Date**") and observing a notice period of at least one month before the relevant Termination Date. For the purpose of calculating the Redemption Amount according to § 4 of the Issue Specific Conditions the Termination Date is deemed to be the Final Fixing Date as defined by these Conditions. If such day is not a Scheduled Trading Day, then the next following Scheduled Trading day shall be deemed the Final Fixing Date.

(2) Transfer of the Redemption Amount in case of ordinary termination

The Issuer shall by the Redemption Date, cause the Redemption Amount to be transferred to the Clearing System for crediting to the accounts of the Products depositors at the Clearing System. In the event of an ordinary termination according to paragraph (1), the notice referred to in § 8 (2) of the Issue Specific Conditions shall be deemed to have been made automatically.

(3) Taxes, fees or other duties

All taxes, fees and other duties incurred in connection with the payment of the Redemption

Amount in case of ordinary termination shall be borne and paid by the Holder. The Issuer and/or Paying Agent may withhold from the relevant amount any taxes, fees or duties that have to be paid by the Holder in accordance with the above sentence.]

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) *Documentation*

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a

SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the

liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from

the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the

amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by

the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Express Certificates with potential Physical Settlement and with par value (Product No. 16), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"**Holder**" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"**Custody Agent**" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) **Bearer Securities**

The Products are issued in bearer form ("**Bearer Securities**").

(b) **Permanent Global Note, Holder**

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer or an early redemption [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the lowest Reference Price of the respective Basket Component during the Initial Fixing Period] [the lowest Reference Price of the [Underlying][respective Basket Component] during the Initial Fixing Observation Dates, as determined by the Calculation Agent] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Observation Dates" means the initial fixing observation dates as specified in **Table 1** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i)= Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting

means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

["**Business Day**" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

["**Issue Date**" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

["**Issue Price**" means the issue price as specified in **Table 1** in the Annex.]

["**Issue Surcharge**" means the issue surcharge as specified in **Table 1** in the Annex.]

["**Strike Level**" means the strike level as specified in **Table 1** in the Annex.]

["**Conversion Ratio**" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

["**Autocall Observation Date**" means [each of the autocall observation dates as specified in **Table 3** in the Annex or, if such date is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in relation to the

relevant Basket Component]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Autocall Observation Date [in respect of one or more Basket Components], the relevant Autocall Observation Date [in relation to the relevant Basket Component] shall be postponed accordingly.]]

"Autocall Event" has occurred if on an Autocall Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Autocall Trigger Level relevant for such date.]

"Autocall Trigger Level" means the Autocall Trigger Level in respect of the relevant Autocall Observation Date [with respect to the relevant Basket Component] as specified in **Table 3** in the Annex.]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1** in the Annex.]

"Barrier Event" has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] [*insert in the case of a Basket as Underlying if appropriate:* [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] [Final Fixing Level] of [a][at least one] Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table [1][2]** in the Annex [at any time during the Barrier Observation Period]], as determined by the Calculation Agent.]]]

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] [*insert in the case of a share as Underlying or Basket Component:*, as issued by the Share Issuer].]

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

*[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]*

"Coupon Amount" means the coupon amount as specified in **Table 1** in the Annex.]

"Coupon Observation Date" means [each of the coupon observation dates as specified in **Table 3** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Coupon Observation Date [in respect of one or more Basket Components], the relevant Coupon Observation Date [in relation to [the relevant Basket Component][all Basket Components]] shall be postponed accordingly.]]

"Coupon Trigger Event" has occurred if on a Coupon Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Coupon Trigger Level relevant for such date.]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table 1][3]** in the Annex [with respect to the relevant Basket Component].]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table 1][3]** in the Annex.]

"Coupon Payment Date" means the coupon payment date as specified in **Table 1][3]** in the Annex or, if this date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Coupon Observation Date, the relevant Coupon Payment Date shall be postponed accordingly.]]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: •]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market

practice and considering the prevailing market conditions.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency*: ●]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site*: ●] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one ore more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Early Redemption Date" means each of the early redemption dates as specified in **Table 3** in

the Annex or, if an Early Redemption Date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Autocall Observation Date, the relevant Early Redemption Date shall be postponed accordingly.]]

["**Website**" means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**" means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["**Paying Agent**" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions and subject to a physical delivery of the Underlying pursuant to paragraph (4). the Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

[Provided that no Barrier Event has occurred the Redemption Amount equals the Denomination.][Provided that the Final Fixing Level is above the Strike Level, the Redemption Amount equals the Denomination.]

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

(4) Settlement by delivery

If [a Barrier Event has occurred][the Final Fixing Level is equal to or below the Strike Level], the Issuer will redeem the Products by way of delivery of a number of the [Underlying][Basket Component with the Worst Performance] expressed by the Conversion Ratio, with fractions of the

[Underlying][relevant Basket Component] not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the [Underlying][relevant Basket Component], for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the [Underlying][relevant Basket Component]. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the [Underlying][relevant Basket Component] in the case of the Cash Payment Amount for Fractions or to the number of the [Underlying][relevant Basket Component] in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the [Underlyings][relevant Basket Components] to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(5) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and subject to a physical delivery of the Underlying pursuant to paragraph (4). the Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

[Provided that no Barrier Event has occurred the Redemption Amount equals the Denomination.][Provided that the Final Fixing Level is above the Strike Level, the Redemption Amount equals the Denomination.]

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

(4) Settlement by delivery

If [a Barrier Event has occurred][the Final Fixing Level is equal to or below the Strike Level], the Issuer will redeem the Products by way of delivery of a number of the [Underlying][Basket Component with the Worst Performance] expressed by the Conversion Ratio, with fractions of the [Underlying][relevant Basket Component] not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the [Underlying][relevant Basket Component], for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the [Underlying][relevant Basket Component]. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the [Underlying][relevant Basket Component] in the case of the Cash Payment Amount for Fractions or to the number of the [Underlying][relevant Basket Component] in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the [Underlyings][relevant Basket Components] to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:]

(5) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange*

rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion. *[[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]*

§ 5

Interest, Coupon Payments

[(1) *Coupon Payments*]

[If a Coupon Trigger Event has occurred on a Coupon Observation Date, a coupon payment is made in the Settlement Currency for the products on the applicable Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] [If a Coupon Trigger Event has not occurred and [no Barrier Event has occurred][the Final Fixing Level is above the Strike Level], the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][The Holder receives a coupon payment on the respective Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] In the case of a redemption at the end of the term, the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][Provided that on the relevant Coupon Observation Date a Coupon Trigger Event has occurred, a Coupon payment shall be made for the Products on the relevant Coupon Payment Date. The coupon rate (the "**Coupon Rate**") relevant for the respective Coupon Observation Date is the Coupon Rate for the relevant Coupon Payment Date specified in **Table 3** in the Annex. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.]]

[(2) *Coupon Amount*]

The Coupon Amount (the "**Coupon Amount**") is determined by multiplying the Denomination by (i) the applicable Coupon Rate for the relevant Coupon Payment Date and by (ii) N.

"N" means in the case that

(a) before the applicable Coupon Observation Date_(i) no Coupon Trigger Event has occurred, the number of Coupon Observation Dates_(i) from Coupon Observation Date₍₁₎ (inclusive) to, in each case, the applicable Coupon Observation Date_(i) (inclusive), and in the case that

(b) before the applicable Coupon Observation Date_(t) a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates_(t) between the Coupon Observation Date_(t) (exclusive) on which the last Coupon Trigger Event has occurred and the applicable Coupon Observation Date_(t) (inclusive) in each case.

[Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made. The Coupon Amount will be commercially rounded to two (2) decimal places.]]

§ 6

(intentionally left blank)

§ 7

Early Redemption

(1) Conditions precedent for Early Redemption

In the event that on any Autocall Observation Date an Autocall Event has occurred, the term of the Products shall end automatically on this Autocall Observation Date without the need for a separate termination of the Products by the Issuer (the "**Early Redemption**"). In this case the Redemption Amount to be paid by the Issuer equals the Denomination.

(2) Notification of Early Redemption

Notice of the occurrence of Early Redemption and the value of the Redemption Amount to be paid per Product in this case shall be published in accordance with § 4 of the General Conditions.

§ 8

Payments, Physical Delivery

(1) Payments, Physical Delivery

The Issuer shall cause the delivery of the Underlying or Basket Component, as the case may be, or the claimed Redemption Amount, if any, or any other amount to be paid pursuant to § 4 of the Issue Specific Conditions to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Early Redemption Date (in the case of an Early Redemption pursuant to § 7 of the Issue Specific Conditions) and/or the Redemption Date (in the case that not Early Redemption has occurred). The Issuer shall transfer the Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the

Holders. If the Early Redemption Date, the Redemption Date or Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the

collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss

Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market

supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI

Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should

the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary

listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other

content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Express Certificates with potential Physical Settlement and without par value (Product No. 17), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) **Bearer Securities**

The Products are issued in bearer form ("**Bearer Securities**").

(b) **Permanent Global Note, Holder**

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer or an early redemption [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the lowest Reference Price of the respective Basket Component during the Initial Fixing Period] [the lowest Reference Price of the [Underlying][respective Basket Component] during the Initial Fixing Observation Dates, as determined by the Calculation Agent] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Observation Dates" means the initial fixing observation dates as specified in **Table 1** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i)= Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting

means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

["**Business Day**" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

["**Issue Date**" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

["**Issue Price**" means the issue price as specified in **Table 1** in the Annex.]

["**Issue Surcharge**" means the issue surcharge as specified in **Table 1** in the Annex.]

["**Strike Level**" means the strike level as specified in **Table 1** in the Annex.]

["**Conversion Ratio**" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

["**Autocall Observation Date**" means [each of the autocall observation dates as specified in **Table 3** in the Annex or, if such date is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in relation to the

relevant Basket Component]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Autocall Observation Date [in respect of one or more Basket Components], the relevant Autocall Observation Date [in relation to the relevant Basket Component] shall be postponed accordingly.]]

"Autocall Event" has occurred if on an Autocall Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Autocall Trigger Level relevant for such date.]

"Autocall Trigger Level" means the Autocall Trigger Level in respect of the relevant Autocall Observation Date [with respect to the relevant Basket Component] as specified in **Table 3** in the Annex.]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1** in the Annex.]

"Barrier Event" has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] [*insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] [Final Fixing Level] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex [at any time during the Barrier Observation Period]], as determined by the Calculation Agent.]]]*

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] [*insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer*].]

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

*[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]*

"Coupon Amount" means the coupon amount as specified in **Table 1** in the Annex.]

"Coupon Observation Date" means [each of the coupon observation dates as specified in **Table 3** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Coupon Observation Date [in respect of one or more Basket Components], the relevant Coupon Observation Date [in relation to [the relevant Basket Component][all Basket Components]] shall be postponed accordingly.]]

"Coupon Trigger Event" has occurred if on a Coupon Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Coupon Trigger Level relevant for such date.]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table 1][3]** in the Annex [with respect to the relevant Basket Component].]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table 1][3]** in the Annex.]

"Coupon Payment Date" means the coupon payment date as specified in **Table 1][3]** in the Annex or, if this date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Coupon Observation Date, the relevant Coupon Payment Date shall be postponed accordingly.]]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on any replacement page, or, if such rate is not published on any other [Reuters page] [•], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [•] or on any replacement page. If such rate is not published on another [Reuters page] [•], the Relevant Exchange Rate means the [•] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: •]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market

practice and considering the prevailing market conditions.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency*: ●]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site*: ●] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one ore more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Early Redemption Date" means each of the early redemption dates as specified in **Table 3** in

the Annex or, if an Early Redemption Date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Autocall Observation Date, the relevant Early Redemption Date shall be postponed accordingly.]]

["**Website**" means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**" means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["**Paying Agent**" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions and subject to a physical delivery of the Underlying pursuant to paragraph (4), the Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

[Provided that no Barrier Event has occurred the Redemption Amount equals the Issue Price.][Provided that the Final Fixing Level is above the Strike Level, the Redemption Amount equals the Issue Price.]

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price (the "**Maximum Redemption Amount**").

(4) Settlement by delivery

If [a Barrier Event has occurred][the Final Fixing Level is equal to or below the Strike Level], the Issuer will redeem the Products by way of delivery of a number of the [Underlying][Basket Component with the Worst Performance] expressed by the Conversion Ratio, with fractions of the

[Underlying][relevant Basket Component] not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the [Underlying][relevant Basket Component], for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the [Underlying][relevant Basket Component]. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the [Underlying][relevant Basket Component] in the case of the Cash Payment Amount for Fractions or to the number of the [Underlying][relevant Basket Component] in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the [Underlyings][relevant Basket Components] to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(5) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]**[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and subject to a physical delivery of the Underlying pursuant to paragraph (4), the Minimum Redemption pursuant to paragraph (2) which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3).

(2) Minimum Redemption

[Provided that no Barrier Event has occurred the Redemption Amount equals the Issue Price.][Provided that the Final Fixing Level is above the Strike Level, the Redemption Amount equals the Issue Price.]

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Issue Price (the "**Maximum Redemption Amount**").

(4) Settlement by delivery

If [a Barrier Event has occurred][the Final Fixing Level is equal to or below the Strike Level], the Issuer will redeem the Products by way of delivery of a number of the [Underlying][Basket Component with the Worst Performance] expressed by the Conversion Ratio, with fractions of the [Underlying][relevant Basket Component] not being delivered but redeemed by way of payment of a cash payment amount for fractions (the "**Cash Payment Amount for Fractions**"). Should the delivery of the [Underlying][relevant Basket Component], for whatever reason, be economically or actually impeded or not possible, then the Issuer shall have the right to pay a compensation amount (the "**Compensation Amount**") in lieu of delivery of the [Underlying][relevant Basket Component]. For the calculation of the Cash Payment Amount for Fractions or the Compensation Amount the Final Fixing Level, which considering the Conversion Ratio is either related to the fraction of the [Underlying][relevant Basket Component] in the case of the Cash Payment Amount for Fractions or to the number of the [Underlying][relevant Basket Component] in the case of the Compensation Amount. If the Holder holds several Products, there shall be no aggregation of the Cash Payment Amounts for Fractions in such a way that the number of the [Underlyings][relevant Basket Components] to be settled would increase. The Cash Payment Amount for Fractions or the Compensation Amount, as the case may be, shall be commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:]

(5) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange*

rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.]]*insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]*

§ 5

Interest, Coupon Payments

[(1) *Coupon Payments*]

[If a Coupon Trigger Event has occurred on a Coupon Observation Date, a coupon payment is made in the Settlement Currency for the products on the applicable Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] [If a Coupon Trigger Event has not occurred and [no Barrier Event has occurred]]the Final Fixing Level is above the Strike Level], the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.]]The Holder receives a coupon payment on the respective Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] In the case of a redemption at the end of the term, the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.]]Provided that on the relevant Coupon Observation Date a Coupon Trigger Event has occurred, a Coupon payment shall be made for the Products on the relevant Coupon Payment Date. The coupon rate (the "**Coupon Rate**") relevant for the respective Coupon Observation Date is the Coupon Rate for the relevant Coupon Payment Date specified in **Table 3** in the Annex. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.]]

[(2) *Coupon Amount*]

The Coupon Amount (the "**Coupon Amount**") is determined by multiplying the Denomination by (i) the applicable Coupon Rate for the relevant Coupon Payment Date and by (ii) N.

"N" means in the case that

(a) before the applicable Coupon Observation Date_(i) no Coupon Trigger Event has occurred, the number of Coupon Observation Dates_(i) from Coupon Observation Date₍₁₎ (inclusive) to, in each case, the applicable Coupon Observation Date_(i) (inclusive), and in the case that

(b) before the applicable Coupon Observation Date_(t) a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates_(t) between the Coupon Observation Date_(t) (exclusive) on which the last Coupon Trigger Event has occurred and the applicable Coupon Observation Date_(t) (inclusive) in each case.

[Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made. The Coupon Amount will be commercially rounded to two (2) decimal places.]]

§ 6

(intentionally left blank)

§ 7

Early Redemption

(1) Conditions precedent for Early Redemption

In the event that on any Autocall Observation Date an Autocall Event has occurred, the term of the Products shall end automatically on this Autocall Observation Date without the need for a separate termination of the Products by the Issuer (the "**Early Redemption**"). In this case the Redemption Amount to be paid by the Issuer equals the Issue Price.

(2) Notification of Early Redemption

Notice of the occurrence of Early Redemption and the value of the Redemption Amount to be paid per Product in this case shall be published in accordance with § 4 of the General Conditions.

§ 8

Payments, Physical Delivery

(1) Payments, Physical Delivery

The Issuer shall cause the delivery of the Underlying or Basket Component, as the case may be, or the claimed Redemption Amount, if any, or any other amount to be paid pursuant to § 4 of the Issue Specific Conditions to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Early Redemption Date (in the case of an Early Redemption pursuant to § 7 of the Issue Specific Conditions) and/or the Redemption Date (in the case that not Early Redemption has occurred). The Issuer shall transfer the Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the

Holders. If the Early Redemption Date, the Redemption Date or Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the

COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special

Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation

is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his

right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral

is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of *Inverse Discount Certificates with Cash Settlement (Product No. 18)*, insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of *Swiss Uncertificated Securities*:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a

day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [*insert principal financial centre for such currency: •*].]

[*insert in the case of Products denominated in Euro*: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[*insert in the case of Products denominated in US Dollar*: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[*insert in the case of a currency and/or one or more Business Centres*: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [*insert currency: •*]] [in the Business Centre[s]] [*if no currency is indicated, insert: in each of the Business Centres*].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] [*insert in the case of a share as Underlying or Basket Component*., as issued by the Share Issuer].]

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in

Table 2 in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]

"Cap Level" means the Cap Level as specified in **Table 1** in the Annex.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Inverse Level" means the inverse level as specified in **Table 1** in the Annex.]

"Price" [means the [[offer] [mid] [bid] price] [●] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] [*insert Internet site: ●*] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

"Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing

Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Maximum Redemption pursuant to paragraph (2) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the product of (i) the Conversion Ratio and (ii) the difference between the Inverse Level and the Final Fixing Level. The Redemption Amount is at least zero.

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Maximum Redemption

The Redemption Amount will not exceed the Maximum Redemption Amount, which is equal to the product of (i) the Conversion Ratio and (ii) the difference between the Inverse Level and the Final Fixing Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Maximum Redemption pursuant to paragraph (2) the product of (i) the Conversion Ratio and (ii) the difference between the Inverse Level and the Final Fixing Level. The Redemption Amount is at least zero.

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially

rounded to two (2) decimal places.

(2) Maximum Redemption

The Redemption Amount will not exceed the Maximum Redemption Amount, which is equal to the product of (i) the Conversion Ratio and (ii) the difference between the Inverse Level and the Final Fixing Level (the "**Maximum Redemption Amount**").

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9
(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10
Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) Distribution and market making

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) Risks

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value

(determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from

the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the

amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by

the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Master Discount Certificates with Cash Settlement (Product No. 19), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products without par value (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The number (the "**Number of Products**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note (*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form (**"Bearer Securities"**).

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the **"Permanent Global Note"**). The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive

securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the

Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the

Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have

the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and [takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date][takes into account the equally-weighted weighting of the respective Basket Component_(i) on the Initial Fixing Date in the value of the Product].] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i)= Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting_{__} means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in

Table 2 in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

"Cap Level" means the Cap Level [of the respective Basket Component] as specified in **Table 1**[2] in the Annex.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined

on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] [*insert Internet site: ●*] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor)].]

"Relevant Reference Price" [of a Basket Component] means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

"Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing

Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Maximum Redemption pursuant to paragraph (2) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the total of the Partial Redemption Amounts⁽ⁱ⁾.

The "**Partial Redemption Amount**" for the respective Basket Component_(i) corresponds to

- (a) the Final Fixing Level_(i) multiplied by the Number of Basket Component_(i) provided that the Final Fixing Level_(i) is at or below the respective Cap Level_(i); or
- (b) the respective Cap Level_(i) multiplied by the the Number of Basket Component_(i), provided that the Final Fixing Level_(i) exceeds the respective Cap Level_(i).

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Maximum Redemption

The Redemption Amount will not exceed the Maximum Redemption Amount specified in **Table 1** in the Annex (the "**Maximum Redemption Amount**"), since the respective Partial Redemption Amount_(i) is limited to the respective Cap Level_(i) multiplied by the Number of Basket Component_(i).

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Maximum Redemption pursuant to paragraph (2) the total of the Partial Redemption Amounts_(i).

The "**Partial Redemption Amount**" for the respective Basket Component_(i) corresponds to

(a) the Final Fixing Level_(i) multiplied by the Number of Basket Component_(i) provided that the Final Fixing Level_(i) is at or below the respective Cap Level_(i); or

(b) the respective Cap Level_(i) multiplied by the the Number of Basket Component_(i), provided that the Final Fixing Level_(i) exceeds the respective Cap Level_(i).

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Maximum Redemption

The Redemption Amount will not exceed the Maximum Redemption Amount specified in **Table 1** in the Annex (the "**Maximum Redemption Amount**"), since the respective Partial Redemption Amount_(i) is limited to the respective Cap Level_(i) multiplied by the Number of Basket Component_(i).

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may*

determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion. *[[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]*

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) Payments

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date.

If the Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) *Documentation*

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework**

Agreement. The Framework Agreement constitutes an integral part of these Conditions. In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and

payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding

the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the

banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these

participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Express Certificates with Cash Settlement and with par value and unconditional minimum redemption (Product No. 20), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) Currency; Issue Size

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) Form

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) **Bearer Securities**

The Products are issued in bearer form ("**Bearer Securities**").

(b) **Permanent Global Note, Holder**

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer or an early redemption [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or

Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Strike Level" means the strike level as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

"Autocall Observation Date" means [each of the autocall observation dates as specified in **Table 3** in the Annex or, if such date is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in relation to the relevant Basket Component]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Autocall Observation Date [in respect of one or more Basket Components], the relevant Autocall Observation Date [in relation to the relevant Basket Component] shall be postponed accordingly.]]

"Autocall Event" has occurred if on an Autocall Observation Date the Reference Price [of all

Basket Components] [reaches or] exceeds the [respective] Autocall Trigger Level relevant for such date.]

"Autocall Trigger Level" means the Autocall Trigger Level in respect of the relevant Autocall Observation Date [with respect to the relevant Basket Component] as specified in **Table 3** in the Annex.]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].*]

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).*]]*

"Coupon Amount" means the coupon amount as specified in **Table 1** in the Annex.]

"Coupon Observation Date" means [each of the coupon observation dates as specified in **Table 3** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Coupon Observation Date [in respect of one or more Basket Components], the relevant Coupon Observation Date [in relation to [the relevant Basket Component][all Basket Components]] shall be postponed accordingly.]]

"Coupon Trigger Event" has occurred if on a Coupon Observation Date the Reference Price [of

all Basket Components] [reaches or] exceeds the [respective] Coupon Trigger Level relevant for such date.]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table [1][3]** in the Annex [with respect to the relevant Basket Component].]

"Coupon Payment Date" means the coupon payment date as specified in **Table [1][3]** in the Annex or, if this date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Coupon Observation Date, the relevant Coupon Payment Date shall be postponed accordingly.]]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: **"Index Sponsor"** means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site: •]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the

Calculation Agent.]]

["Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

["Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["Minimum Redemption Factor" means the minimum redemption factor as specified in **Table 1** in the Annex.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for

one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Early Redemption Date" means each of the early redemption dates as specified in **Table 3** in the Annex or, if an Early Redemption Date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Autocall Observation Date, the relevant Early Redemption Date shall be postponed accordingly.]]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4 Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and a Minimum Redemption pursuant to paragraph (2) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the Denomination which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3), if the Final Fixing Levels of all Basket Components are at or above the Autocall Trigger Level.

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Minimum Redemption

The Redemption Amount per Product is at least equal to the Minimum Redemption Factor multiplied by the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:]

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange*

rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][*insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").*]

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions and a Minimum Redemption pursuant to paragraph (2) the Denomination which simultaneously equals the Maximum Redemption Amount pursuant to paragraph (3), if the Final Fixing Levels of all Basket Components are at or above the Autocall Trigger Level.

The Redemption Amount will be [*insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Minimum Redemption

The Redemption Amount per Product is at least equal to the Minimum Redemption Factor multiplied by the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be [*insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4) and]* commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent [*insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange*

Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion. *[[insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]*

§ 5

Interest, Coupon Payments

[(1) *Coupon Payments*]

[If a Coupon Trigger Event has occurred on a Coupon Observation Date, a coupon payment is made in the Settlement Currency for the Products on the applicable Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] [If a Coupon Trigger Event has not occurred and [no Barrier Event has occurred][the Final Fixing Level is above the Strike Level], the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][The Holder receives a coupon payment on the respective Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] In the case of a redemption at the end of the term, the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][Provided that on the relevant Coupon Observation Date a Coupon Trigger Event has occurred, a Coupon payment shall be made for the Products on the relevant Coupon Payment Date. The coupon rate (the "**Coupon Rate**") relevant for the respective Coupon Observation Date is the Coupon Rate for the relevant Coupon Payment Date specified in **Table 3** in the Annex.]

[(2) *Coupon Amount*]

The Coupon Amount (the "**Coupon Amount**") is determined by multiplying the Denomination by (i) the applicable Coupon Rate for the relevant Coupon Payment Date and by (ii) N.

"N" means [in the case that

(a) before the applicable Coupon Observation Date_(i) no Coupon Trigger Event has occurred, the

number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to, in each case, the applicable Coupon Observation Date_(t) (inclusive), and in the case that

(b) before the applicable Coupon Observation Date_(t) a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates_(t) between the Coupon Observation Date_(t) (exclusive) on which the last Coupon Trigger Event has occurred and the applicable Coupon Observation Date_(t) (inclusive) in each case.]]the number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to the relevant Coupon Observation Date on which a Coupon Trigger Event has occurred.]]

[Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made. The Coupon Amount will be commercially rounded to two (2) decimal places.]]

§ 6

(intentionally left blank)

§ 7

Early Redemption

(1) *Conditions precedent for Early Redemption*

In the event that on any Autocall Observation Date an Autocall Event has occurred, the term of the Products shall end automatically on this Autocall Observation Date without the need for a separate termination of the Products by the Issuer (the "**Early Redemption**"). In this case the Redemption Amount to be paid by the Issuer equals the Denomination.

(2) *Notification of Early Redemption*

Notice of the occurrence of Early Redemption and the value of the Redemption Amount to be paid per Product in this case shall be published in accordance with § 4 of the General Conditions.

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Early Redemption Date (in the case of an Early Redemption pursuant to § 7 of the Issue Specific Conditions) and/or the Redemption Date (in the case that no Early Redemption has occurred). The Issuer shall transfer the respective Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Early Redemption Date, the Redemption Date or a Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the

terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne

(Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required

collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation

proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments	

(COSI)"

investor

Holder

issuer

Issuer

issuing
conditions

Terms and Conditions, Conditions

maturity

Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10

(intentionally left blank)]

[in the case of Express Certificates with Cash Settlement and with par value and with Downside Participation Factor (Product No. 21), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"**Holder**" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"**Custody Agent**" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) **Bearer Securities**

The Products are issued in bearer form ("**Bearer Securities**").

(b) **Permanent Global Note, Holder**

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:]

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:]

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the **"Permanent Global Note"**) without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the **"Minimum Trading Lot"**) or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:]

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer or an early redemption [*insert in the case COSI is applicable: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions*].

§ 2

Status of the Products

[*insert in the case COSI is not applicable:*

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable:*

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): $\text{Number of Basket Component}_{(i)} = \text{Denomination} * \text{Initial Weighting}_{(i)} / \text{Initial Fixing Level}_{(i)}$.] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or

Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Strike Level" means the strike level as specified in **Table 1** in the Annex.]

"Conversion Ratio" means [the conversion ratio as specified in **Table 1** in the Annex][the conversion ratio in respect of the relevant Basket Component as specified in **Table 2** in the Annex]]

"Autocall Observation Date" means [each of the autocall observation dates as specified in **Table 3** in the Annex or, if such date is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in relation to the relevant Basket Component]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Autocall Observation Date [in respect of one or more Basket Components], the relevant Autocall Observation Date [in relation to the relevant Basket Component] shall be postponed accordingly.]]

"Autocall Event" has occurred if on an Autocall Observation Date the Reference Price [of all

Basket Components] exceeds the [respective] Autocall Trigger Level relevant for such date.]

["Autocall Trigger Level"] means the Autocall Trigger Level in respect of the relevant Autocall Observation Date [with respect to the relevant Basket Component] as specified in **Table 3** in the Annex.]

["Barrier Observation Period"] means the barrier observation period as specified in **Table 1** in the Annex.]

["Barrier Event"] has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] [Final Fixing Level] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in Table [1][2] in the Annex [at any time during the Barrier Observation Period]], as determined by the Calculation Agent.]]]*

["Barrier Event"] has occurred if [the Final Fixing Level is at or below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in Table [1][2] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]]*

["Barrier Level"] means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying"] means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component:, as issued by the Share Issuer].]*

["Underlying Valuation Date"] means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket"] means the Basket comprising the basket components as specified in **Tables 1** and **2** in

the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means], in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

"Coupon Amount" means the coupon amount as specified in **Table 1** in the Annex.]

"Coupon Observation Date" means [each of the coupon observation dates as specified in **Table 3** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Coupon Observation Date [in respect of one or more Basket Components], the relevant Coupon Observation Date [in relation to [the relevant Basket Component][all Basket Components]] shall be postponed accordingly.]]

"Coupon Trigger Event" has occurred if on a Coupon Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Coupon Trigger Level relevant for such date.]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table [1][3]1** in the Annex [with respect to the relevant Basket Component].]

"Coupon Payment Date" means the coupon payment date as specified in **Table [1][3]** in the Annex or, if this date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Coupon Observation Date, the relevant Coupon Payment Date shall be postponed accordingly.]]

"Downside Participation Factor" means the downside participation factor as specified in **Table 1** in the Annex.]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [●] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] *[insert Internet site: ●]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page]

[●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: ●]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["**Minimum Redemption Factor**"] means the minimum redemption factor as specified in **Table 1** in the Annex.]

["**Denomination**"] means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["**Reference Price**"] means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["**Reference Currency**"] means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["**Redemption Date**"] means, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["**Worst Performance**"] means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["**TARGET2 System**"] means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["**Final Fixing Date**"] means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket

Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["**Scheduled Trading Day**" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["**Early Redemption Date**" means each of the early redemption dates as specified in **Table 3** in the Annex or, if an Early Redemption Date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Autocall Observation Date, the relevant Early Redemption Date shall be postponed accordingly.]]

["**Website**" means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**" means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["**Paying Agent**" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the Denomination plus the Additional Amount. The Additional Amount equals the Downside Participation Factor multiplied by the difference between (i) the Performance of the Basket Component with the Worst Performance and (ii) the quotient of the Strike Level of the Basket Component with the Worst Performance and the Initial Fixing Level of the Basket Component with the Worst Performance. The Redemption Amount equals at least zero.

The "**Performance of the Basket Component**" equals the quotient of the Final Fixing Level (dividend) and the Initial Fixing Level (divisor) of the respective Basket Component.

The Redemption Amount will be *[insert if Currency Conversion is applicable:]* converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and] commercially

rounded to two (2) decimal places.

(2) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to an Early Redemption pursuant to § 7 of the Issue Specific Conditions the Denomination plus the Additional Amount. The Additional Amount equals the Downside Participation Factor multiplied by the difference between (i) the Performance of the Basket Component with the Worst Performance and (ii) the quotient of the Strike Level of the Basket Component with the Worst Performance and the Initial Fixing Level of the Basket Component with the Worst Performance. The Redemption Amount equals at least zero.

The "**Performance of the Basket Component**" equals the quotient of the Final Fixing Level

(dividend) and the Initial Fixing Level (divisor) of the respective Basket Component.

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Maximum Redemption

The Redemption Amount per Product equals no more than the Denomination (the "**Maximum Redemption Amount**").

[The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (3) and]* commercially rounded to two (2) decimal places.]

[insert if Currency Conversion is applicable:

(3) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

§ 5

Interest, Coupon Payments

[(1) Coupon Payments]

[If a Coupon Trigger Event has occurred on a Coupon Observation Date, a coupon payment is made in the Settlement Currency for the products on the applicable Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an

Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] [If a Coupon Trigger Event has not occurred and [no Barrier Event has occurred][the Final Fixing Level is above the Strike Level], the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][The Holder receives a coupon payment on the respective Coupon Payment Date in the amount of the Coupon Amount specified for the applicable Coupon Payment Date. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.] In the case of a redemption at the end of the term, the Holder receives a coupon payment on the final Coupon Payment Date in the amount of the Coupon Amount specified for the final Coupon Payment Date.][Provided that on the relevant Coupon Observation Date a Coupon Trigger Event has occurred, a Coupon payment shall be made for the Products on the relevant Coupon Payment Date. The coupon rate (the "**Coupon Rate**") relevant for the respective Coupon Observation Date is the Coupon Rate for the relevant Coupon Payment Date specified in **Table 3** in the Annex. [Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made.]]

[(2) *Coupon Amount*

The Coupon Amount (the "**Coupon Amount**") is determined by multiplying the Denomination by (i) the applicable Coupon Rate for the relevant Coupon Payment Date and by (ii) N.

"N" means [in the case that

(a) before the applicable Coupon Observation Date_(t) no Coupon Trigger Event has occurred, the number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to, in each case, the applicable Coupon Observation Date_(t) (inclusive), and in the case that

(b) before the applicable Coupon Observation Date_(t) a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates_(t) between the Coupon Observation Date_(t) (exclusive) on which the last Coupon Trigger Event has occurred and the applicable Coupon Observation Date_(t) (inclusive) in each case.] [the number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to the relevant Coupon Observation Date on which a Coupon Trigger Event has occurred.]

[Following an Early Redemption pursuant to § 7 of the Issue Specific Conditions, no further coupon payments are made. The Coupon Amount will be commercially rounded to two (2) decimal places.]]

§ 6

(intentionally left blank)

§ 7

Early Redemption

(1) *Conditions precedent for Early Redemption*

In the event that on any Autocall Observation Date an Autocall Event has occurred, the term of the Products shall end automatically on this Autocall Observation Date without the need for a separate termination of the Products by the Issuer (the "**Early Redemption**"). In this case the Redemption Amount to be paid by the Issuer equals the Denomination.

(2) *Notification of Early Redemption*

Notice of the occurrence of Early Redemption and the value of the Redemption Amount to be paid per Product in this case shall be published in accordance with § 4 of the General Conditions.

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Early Redemption Date (in the case of an Early Redemption pursuant to § 7 of the Issue Specific Conditions) and/or the Redemption Date (in the case that no Early Redemption has occurred). The Issuer shall transfer the respective Coupon Amount in arrears by the Coupon Payment Date via the Paying Agent to the Clearing System for transmitting to the Holders. If the Early Redemption Date, the Redemption Date or a Coupon Payment Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from

time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework**

Agreement. The Framework Agreement constitutes an integral part of these Conditions. In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and

payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding

the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the

banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these

participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts (Product No. 22), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form ("**Bearer Securities**").

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign

exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"]["Share"]["Security representing Shares"]["Commodity"]["Currency Exchange Rate"] ["Futures Contract"]["Fixed Rate Instrument"]["Derivative Instrument"]["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

*[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]*

"Coupon Amount" means the coupon amount as specified in **Table 1** in the Annex.]

"Coupon Observation Date" means [each of the coupon observation dates as specified in **Table 3** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]]. In the event of the postponement of the Underlying Valuation Date corresponding to the relevant Coupon Observation Date [in respect of one or more Basket Components], the relevant Coupon Observation Date [in relation to [the relevant Basket Component][all Basket Components]] shall be postponed accordingly.]]

"Coupon Trigger Event" has occurred if on a Coupon Observation Date the Reference Price [of all Basket Components] exceeds the [respective] Coupon Trigger Level relevant for such date.]

"Coupon Trigger Level" means the coupon trigger level as specified in **Table 1**][3]1 in the Annex [with respect to the relevant Basket Component].]

"Coupon Payment Date" means the coupon payment date as specified in **Table 1**][3] in the Annex or, if this date is not a Business Day, the next following Business Day. [In the event of the postponement of the relevant Coupon Observation Date, the relevant Coupon Payment Date shall be postponed accordingly.]]

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket

Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [●] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [●] *[insert Internet site: ●]* or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] *[insert other method for determining Relevant Exchange Rate: ●]*. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Minimum Redemption Factor" means the minimum redemption factor as specified in **Table 1**

in the Annex.]

["Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Partial Redemption Factor" means the partial redemption factor as specified in **Table 1** in the Annex.]

["Partial Redemption Date_(i)" means, subject to an extraordinary termination pursuant to § 13 of the Issue Specific Conditions [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions], the partial redemption date_(i) as specified in **Table 3** in the Annex or, if this day is not a Business Day, the next following Business Day. The last Partial Redemption Date_(i) equals the Redemption Date.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket

Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["**Scheduled Trading Day**" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["**Website**" means the Website as specified in **Table 1** in the Annex.]

["**Exchange Rate Page**" means the exchange rate page as specified in **Table 2** in the Annex.]

["**Exchange Rate Sponsor**" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["**Paying Agent**" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Partial Redemption Amounts

Subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, on the respective Partial Redemption Date_(t) in each case a Partial Redemption (the "**Partial Redemption**") is made for the Product in the Settlement Currency in the amount of the Denomination multiplied by the Partial Redemption Factor (in each case the "**Partial Redemption Amount**").

(2) Minimum Redemption

The total of the Partial Redemption Amounts per Product equals the Minimum Redemption Factor multiplied by the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The total of the Partial Redemption Amounts per Product is not greater than the Minimum Redemption Factor multiplied by the Denomination (the "**Maximum Redemption Amount**").]

[insert if COSI is not applicable:]

(1) Partial Redemption Amounts

On the respective Partial Redemption Date_(t) in each case a Partial Redemption (the "**Partial**

Redemption") is made for the Product in the Settlement Currency in the amount of the Denomination multiplied by the Partial Redemption Factor (in each case the "**Partial Redemption Amount**").

(2) Minimum Redemption

The total of the Partial Redemption Amounts per Product equals the Minimum Redemption Factor multiplied by the Denomination (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The total of the Partial Redemption Amounts per Product is not greater than the Minimum Redemption Factor multiplied by the Denomination (the "**Maximum Redemption Amount**").]

§ 5

Interest, Coupon Payments

(1) Coupon Payments

[Provided that on the relevant Coupon Observation Date_(t) a Coupon Trigger Event has occurred, a Coupon payment shall be made for the Products on the relevant Coupon Payment Date. The coupon rate (the "**Coupon Rate_(t)**") relevant for the respective Coupon Observation Date_(t) is the Coupon Rate for the relevant Coupon Payment Date specified in **Table 1** in the Annex.

(2) Coupon Amount

The Coupon Amount (the "**Coupon Amount**") is determined by multiplying the Denomination by (i) the applicable Coupon Rate_(t) for the relevant Coupon Payment Date and by (ii) N.

"N" means in the case that

- (a) before the applicable Coupon Observation Date_(t) no Coupon Trigger Event has occurred, the number of Coupon Observation Dates_(t) from Coupon Observation Date₍₁₎ (inclusive) to, in each case, the applicable Coupon Observation Date_(t) (inclusive), and in the case that
- (b) before the applicable Coupon Observation Date_(t) a Coupon Trigger Event has already occurred, the number of Coupon Observation Dates_(t) between the Coupon Observation Date_(t) (exclusive) on which the last Coupon Trigger Event has occurred and the applicable Coupon Observation Date_(t) (inclusive) in each case.

The Coupon Amount will be commercially rounded to two (2) decimal places.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Partial Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Partial Redemption Date_(t). The Issuer shall transfer the respective Coupon Amount in arrears by the Coupon Payment Date_(t) via the Paying Agent to the Clearing System for transmitting to the Holders. If a Partial Redemption Date_(t) or a Coupon Payment Date_(t) falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9
(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10
Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) Distribution and market making

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) Risks

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value

(determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from

the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the

amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by

the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 23), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form ("**Bearer Securities**").

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign

exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the ["Index"] ["Share"] ["Security representing Shares"] ["Commodity"] ["Currency Exchange Rate"] ["Futures Contract"] ["Fixed Rate Instrument"] ["Derivative Instrument"] ["Fund Unit"])] *[insert in the case of a share as Underlying or Basket Component: , as issued by the Share Issuer].]*

"Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

"Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

"Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

"Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

*[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]*

"Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

"Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

"Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

"Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period: In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]*

"Business Centre" means the business centre as specified in **Table 1** in the Annex.]

"Maximum Redemption Factor" means the maximum redemption factor as specified in **Table 1** in the Annex.]

*[insert in the case of an index as Underlying or Basket Component: "Index Sponsor" means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]*

"Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex[, as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

"Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on

[relevant Reuters] [relevant Bloomberg] page [●] [*insert Internet site: ●*] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

"Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

"Relevant Exchange Rate" of the Reference Currency means [[with respect to [●]] the [●] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [●] or on any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

"Minimum Redemption Factor" means the minimum redemption factor as specified in **Table 1** in the Annex.]

"Denomination" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

"Reference Price" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

"Reference Currency" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

"Redemption Date" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date

shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["Worst Performance" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["TARGET2 System" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto.]

["Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

["Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

["Website" means the Website as specified in **Table 1** in the Annex.]

["Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

["Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

["Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions the Redemption Amount specified in **Table [3][•]** in the Annex depending on the Performance of the Basket Component with the Worst Performance, whereby the Redemption Amount is at least

equal to the Minimum Redemption Amount pursuant to paragraph (2) and not greater than the Maximum Redemption Amount pursuant to paragraph (3).

The "**Performance of the Basket Component**" equals the Final Fixing Level of the Basket Component divided by the Initial Fixing Level of the respective Basket Component.

(2) Minimum Redemption

The Redemption Amount equals at least the Denomination multiplied by the Minimum Redemption Factor (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount equals no more than the Denomination multiplied by the Maximum Redemption Factor (the "**Maximum Redemption Amount**").]

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals the Redemption Amount specified in **Table [3][•]** in the Annex depending on the Performance of the Basket Component with the Worst Performance, whereby the Redemption Amount is at least equal to the Minimum Redemption Amount pursuant to paragraph (2) and not greater than the Maximum Redemption Amount pursuant to paragraph (3).

The "**Performance of the Basket Component**" equals the Final Fixing Level of the Basket Component divided by the Initial Fixing Level of the respective Basket Component.

(2) Minimum Redemption

The Redemption Amount equals at least the Denomination multiplied by the Minimum Redemption Factor (the "**Minimum Redemption Amount**").

(3) Maximum Redemption

The Redemption Amount equals no more than the Denomination multiplied by the Maximum Redemption Factor (the "**Maximum Redemption Amount**").]

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) *Payments*

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date. If a Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) *Declaration on Regulation S*

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) *Taxes, Fees and Duties*

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) *Collateralization of the Product*

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) *Documentation*

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) *Collateralization method*

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in

the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is

challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) *Determination of a Liquidation Event*

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) *Procedure in case of a Liquidation Event*

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website;

as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds

are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day

immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange

standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

[in the case of Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 24), insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

(1) *Currency; Issue Size*

Leonteq Securities AG[, acting through its Guernsey branch: Leonteq Securities AG, Guernsey Branch] (the "**Issuer**") issues products (each a "**Certificate**" or a "**Product**" and together the "**Certificates**" or the "**Products**"). The total nominal amount (the "**Total Nominal Amount**") and the settlement currency (the "**Settlement Currency**") of the Products are specified in **Table 1** in the Annex.

(2) *Form*

[insert in the case of Swiss Uncertificated Securities:

(a) Uncertificated Securities, Holders

The Products are issued in uncertificated form in accordance with art. 973c of the Swiss Code of Obligations as uncertificated securities (*Wertrechte*) ("**Uncertificated Securities**").

Uncertificated Securities (*Wertrechte*) will be created by the Issuer by means of a registration in its register of uncertificated securities (*Wertrechtbuch*) (the "**Register of Uncertificated Securities**"). Such Uncertificated Securities will then be entered into the main register (*Hauptregister*) of the Custody Agent (the "**Main Register of the Custody Agent**"). Once the Uncertificated Securities are registered in the Main Register of the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Products constituting intermediated securities (*Bucheffekten*) may only be transferred or otherwise disposed of in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*), i.e. by the entry of the transferred Products in a securities account of the transferee.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Uncertificated Securities into, or the delivery of, a permanent global note

(*Dauerglobalurkunde*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant with the Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents (*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

No physical delivery of the Products shall be made unless and until definitive Security Papers (*Wertpapiere*) shall have been printed. Products may only be printed, in whole, but not in part, if the Paying Agent determines, in its sole discretion, that the printing of the Security Papers is necessary or useful.

Should the Paying Agent so determine, it shall provide for the printing of definitive Security Papers without cost to the Holders. Upon delivery of the Security Papers, the Uncertificated Securities will immediately be cancelled by the Issuer and the Security Papers shall be delivered to the Holders against cancellation of the Intermediated Securities in the Holder's securities accounts.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.

(b) Custody Agent

"Custody Agent" is the custody agent as specified in **Table 1** in the Annex, a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).]

[insert in the case of Swiss Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form ("**Bearer Securities**").

(b) Permanent Global Note, Holder

[insert in the case of Swiss CBF Bearer Securities:

During their term the Products are represented by a permanent global note in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**"). The Permanent

Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"**Holder**" means any holder of a co-ownership interest, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of Swiss SIX SIS Bearer Securities:

During their term the Products are represented by a permanent global note (*Dauerglobalurkunde*) in accordance with art. 973b of the Swiss Code of Obligations (the "**Permanent Global Note**") in bearer form which shall be deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex ("**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). Once the Permanent Global Note is deposited with the Custody Agent and entered into the securities accounts of one or more participants of the Custody Agent, the Products will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*)

Each Holder shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Note to the extent of his claim against the Issuer, provided that for so long as the Permanent Global Note remains deposited with the Custody Agent the co-ownership interest shall be suspended and the Products may only be transferred by the entry of the transferred Products in a securities account of the transferee, as set out in the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*) regarding the transfer of Intermediated Securities.

Neither the Issuer nor the Holders shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated securities (*Wertrechte*) or definitive security papers (*Wertpapiere*) (the "**Security Papers**").

The records of the Custody Agent will determine the number of Products held through each participant in that Custody Agent. In respect of the Products held in the form of Intermediated Securities, the holders of the Products will be the Holders, i.e. (i) the persons, other than custody agents (*Verwahrungsstellen*), holding the Products in a securities account (*Effektenkonto*) with a custody agent (*Verwahrungsstelle*) and (ii) the custody agents

(*Verwahrungsstellen*) holding the Products for their own account. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the securities delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means the person holding the Products in a securities account in its own name and for its own account.]

[insert in the case of German Bearer Securities:

(a) Bearer Securities

The Products are issued in bearer form.

[insert in the case of German CBF Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons. The Permanent Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer arising from the Products have been satisfied. Claims for delivery of definitive securities are precluded. The Holders are entitled to co-ownership interests, economic ownership rights or similar rights in the Permanent Global Note which are transferable in accordance with the rules and regulations of the Clearing System and in accordance with all applicable legal provisions. Within the collective securities settlement procedure the Products may be transferred solely in units of the minimum trading lot as specified in **Table 1** in the Annex (the "**Minimum Trading Lot**") or in a whole-number multiple thereof.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with

the terms and regulations of the relevant Clearing System and applicable law.]

[insert in the case of German SIX SIS Bearer Securities:

(b) Permanent Global Note, Holder

During their term the Products are represented by a permanent global note (the "**Permanent Global Note**") without coupons which is deposited by the Paying Agent with the custody agent as specified in **Table 1** in the Annex (the "**Custody Agent**"), a custody agent pursuant to the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*). As soon as the Permanent Global Note has been deposited with the Custody Agent and credited to the securities accounts of one or more participants of the Custody Agent, the Products shall constitute intermediated securities ("**Intermediated Securities**") pursuant to the provisions of the Swiss Federal Intermediated Securities Act (*Bundesgesetz über Bucheffekten*).

Within the scope of his claim against the Issuer, each Holder of Products shall be entitled to a co-ownership share, existing under property law, in the Permanent Global Note. For as long as the Permanent Global Note is deposited with the Custody Agent, the co-ownership share shall be suspended and the Products may be disposed of only subject to the provisions of the Swiss Intermediated Securities Act (*Bundesgesetz über Bucheffekten*), i.e. by crediting the Products to be transferred in a securities account of the recipient.

Neither the Issuer nor the Holders have the right to demand or arrange for the conversion of the Permanent Global Note into uncertificated securities (the "**Uncertificated Securities**") (*Wertrechte*) or security papers (*Wertpapiere*) (the "**Security Papers**"), or to demand or arrange for the delivery of Uncertificated Securities or Securities Papers.

The records of the Custody Agent determine the number of Products held by each participant of the Custody Agent. For the Products which constitute Intermediated Securities, (i) those persons, with the exception of the Custody Agent itself, who hold the Products in a securities account kept with a Custody Agent and (ii) Custody Agents which hold the Products for their own account shall be deemed Holders of the Products. The Paying Agent may assume that a bank or financial intermediary submitting or transmitting to it a notice of the Holder pursuant to these Conditions has been duly authorised by the respective Holder for these purposes.

Products may be delivered physically only if they are represented by definitive Security Papers. The Paying Agent alone has the right to decide on the printing of definitive Security Papers for the Products, in whole, but not in part, if the Paying Agent judges this to be necessary or useful. If the Paying Agent decides to print and deliver Security Papers, this shall not result in any costs being incurred by the Holder. If Security Papers are printed, copies of the signatures of two authorised signatories of the Issuer shall be affixed to printed

Security Papers. Without undue delay upon delivery of the Security Papers, the Permanent Global Note shall be invalidated by the Paying Agent and the Security Papers delivered to the Holders in return for cancellation of the Intermediated Securities in their securities account.

"Holder" means any holder of a co-ownership interest or right, an economic ownership right or similar right in the Permanent Global Note, which is in each case transferable in accordance with the terms and regulations of the relevant Clearing System and applicable law. The Holder of Products created as Intermediated Securities (*Bucheffekten*) shall be determined in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).]

(c) Clearing System

"Clearing System" in each case is the clearing system as specified in Table 1 in the Annex.

(3) Term of the Products

The Products are issued with a limited term, i.e. they have a predetermined limited term which ends on the Redemption Date, subject to an extraordinary termination by the Issuer [*insert in the case COSI is applicable*: or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific conditions].

§ 2

Status of the Products

[*insert in the case COSI is not applicable*:

The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.]

[*insert in the case COSI is applicable*:

The Products constitute general contractual obligations of the Issuer and are collateralized in accordance with § 10 of the Issue Specific Conditions. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, *pari passu* with all other collateralized and unsubordinated obligations of the Issuer.]

§ 3 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

[insert in the case of a share as Underlying or Basket Component: "Share Issuer" means the company that has issued the [Underlying][Basket Component].]

"Initial Fixing Level" means [the initial fixing level of the [Underlying] [Basket Component] as specified in **Table 1** in the Annex [which corresponds to the Price of the [Underlying] [Basket Component] on the Initial Fixing Date as determined by the Calculation Agent][which corresponds to the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date] [and] [on the basis of which the Issue Price was determined.]] [the Reference Price of the [Underlying] [Basket Component] on the Initial Fixing Date, as determined by the Calculation Agent.] [a Price of the [Underlying] [Basket Component] as determined by the Calculation Agent on the Initial Fixing Date.] [the arithmetic mean of the Reference Prices of all Basket Components on the Initial Fixing Date.] [is an observed value of the relevant Basket Component on the relevant Exchange on the Initial Fixing Date, defined by the Calculation Agent. The Initial Fixing Level of the relevant Basket Component is specified in **Table 2** in the Annex.]

"Initial Fixing Period" means the initial fixings period as specified in **Table 1** in the Annex.]

"Initial Basket Value" means the initial basket value as specified in **Table 1** in the Annex.]

"Number of Basket Component_(i)" means [the relevant Number of Basket Component_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex which is determined by the Issuer and/or the Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i) [and the [EUR][●]/Reference Currency_(i) exchange rate] and takes into account the Initial Weighting_(i) of the respective Basket Component_(i), corresponding to the weighted share of the respective Basket Component_(i) in the Initial Basket Value on the Initial Fixing Date.] [means the weighted share of the respective Basket Component_(i) in the Initial Basket Value as determined by the Issuer and/or Calculation Agent on the Initial Fixing Date based on the Initial Fixing Level_(i), and taking into account the Initial Weighting_(i) of the respective Basket Component_(i). The relevant Number of Basket Component_(i) corresponds to the Denomination multiplied by the quotient of the Initial Weighting_(i) (dividend) and the Initial Fixing Level_(i) (divisor): Number of Basket Component_(i) = Denomination * Initial Weighting_(i) / Initial Fixing Level_(i).] [Initial Weighting means the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex].]

"Business Day" means

[insert in the case of Products denominated in Swiss Francs: a day (other than a Saturday or

Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in a currency other than Euro and Swiss Francs: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in [insert principal financial centre for such currency: •].]

[insert in the case of Products denominated in Euro: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) payments are settled via the TARGET2 System and (iii) commercial banks and foreign exchange markets settle payments in Zurich.]

[insert in the case of Products denominated in US Dollar: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments in New York and Zurich.]

[insert in the case of a currency and/or one or more Business Centres: a day (other than a Saturday or Sunday) on which (i) the Clearing System settles payments and (ii) commercial banks and foreign exchange markets settle payments [in [insert currency: •]] [in the Business Centre[s]] [if no currency is indicated, insert: in each of the Business Centres].]

"Issue Price" means the issue price as specified in **Table 1** in the Annex.]

"Issue Surcharge" means the issue surcharge as specified in **Table 1** in the Annex.]

"Issue Date" means the issue date as specified in **Table 1** in the Annex [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions].]

"Barrier Observation Period" means the barrier observation period as specified in **Table 1.**]

"Barrier Event" has occurred if [the Final Fixing Level is [equal to or] below the Barrier Level] [the [Price][Reference Price] is [equal to or] below the Barrier Level at any time during the Barrier Observation Period] *[insert in the case of a Basket as Underlying if appropriate: [the Final Basket Value equals or falls below the Barrier Level as determined by the Calculation Agent] [the [Price][Reference Price] of the Basket is equal to or below the Barrier Level during the Observation Period, as determined by the Calculation Agent] [the [Price][Reference Price] of a Basket Component is [equal to or] below the Barrier Level for this Basket Component as specified in **Table 1**][2] in the Annex at any time during the Barrier Observation Period], as determined by the Calculation Agent.]]]*

"Barrier Level" means the barrier level as specified in **Table 1** in the Annex [with respect to the relevant Basket Component].]

["Underlying" means[, subject to a replacement in accordance with these Conditions,] the [Underlying] [Basket] as specified in **Table 1** and **2** in the Annex [(also referred to as the **["Index"]** **["Share"]** **["Security representing Shares"]** **["Commodity"]** **["Currency Exchange Rate"]** **["Futures Contract"]** **["Fixed Rate Instrument"]** **["Derivative Instrument"]** **["Fund Unit"]**) *[insert in the case of a share as Underlying or Basket Component:., as issued by the Share Issuer].]*

["Underlying Valuation Date" means [each of the dates] [the date] as specified in **Table 1** in the Annex.]

["Basket" means the Basket comprising the basket components as specified in **Tables 1** and **2** in the Annex.]

["Basket Component" means, subject to an adjustment, each basket component as specified in **Table 2** in the Annex.]

["Calculation Agent" means the calculation agent as specified in **Table 1** in the Annex.]

[insert in the case of shares as Underlying or Basket Component: "Exchange" means[, in respect of the Share the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the [Underlying][Basket Component] has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the [Underlying][Basket Component] on such temporary substitute exchange or quotation system as on the original Exchange).]]

["Bonus Level" means the bonus level as specified in **Table 1** in the Annex.]

["Cap Level" means the Cap Level as specified in **Table 1** in the Annex.]

["Fiscal Agent" means the fiscal agent as specified in **Table 1** in the Annex.]

["Final Fixing Period" means the period from (and including) the fifth (5th) Exchange Business Day immediately prior to the Final Fixing Date up to (and including) the Final Fixing Date.]

["Final Fixing Level" means [the Reference Price [of the respective Basket Component] on the Final Fixing Date.][the arithmetic mean of the Reference Prices of the Underlying during the Final Fixing Period.][the arithmetic mean of the Reference Prices of all Basket Components on the Final Fixing Date.]]

["Final Basket Value" means the sum of the Final Levels of all Basket Components.]

["Final Level of a Basket Component" means the Final Fixing Level of the Basket Component multiplied by the Number of Basket Component. Accordingly, the Final Level of a Basket

Component will be calculated as follows:

Final Level of a Basket Component = $W_{(i)} * Ff_{(i)}$

whereby

" $W_{(i)}$ " means Number of Basket Component and

" $Ff_{(i)}$ " means the Final Fixing Level of the Basket Component.]

["Initial Fixing Date" means [the initial fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]] [or in the event of the subscription period ending prematurely [or being extended], the day on which the subscription period ends, as published by the Issuer pursuant to § 4 of the General Conditions]. *[insert in the case of Products with subscription period:* In the event of the postponement of the Underlying Valuation Date corresponding to the Initial Fixing Date, the Initial Fixing Date shall be postponed accordingly.]]

["Business Centre" means the business centre as specified in **Table 1** in the Annex.]

[insert in the case of an index as Underlying or Basket Component: **"Index Sponsor"** means the index sponsor as specified in **Table 2** in the Annex [for the relevant Basket Component].]

["Initial Weighting_(i)" means [the Initial Weighting_(i) of the respective Basket Component_(i) as specified in **Table 2** in the Annex], as determined on the Initial Fixing Date by the Issuer and/or the Calculation Agent].]

["Price" [means the [[offer] [mid] [bid] price] [•] of the Underlying] as continuously [determined on the relevant Exchange] [[calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [relevant Reuters] [relevant Bloomberg] page [•] *[insert Internet site:* •] or as specified in **Table 2** in the Annex or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["Relevant Performance" [of the relevant Basket Component] means [the quotient of the End Level (dividend) and the Initial Fixing Level (divisor).]]

["Relevant Reference Price" [of a Basket Component means the [lowest] [highest] Reference Price of such Basket Component [on the Final Fixing Date] [on every Valuation Date (t)].]

["Relevant Exchange Rate" of the Reference Currency means [[with respect to [•]] the [•] [mid]rate [of the Reference Currency to the Settlement Currency], which is published [by the Exchange Rate sponsor on the designated Exchange Rate Page] [on the [Reuters page]] [•] or on

any replacement page, or, if such rate is not published on any other [Reuters page] [●], the rate published on the page of another screen service] [as determined by the Calculation Agent on basis of the [designated Exchange Rate Page published by the Exchange Rate Sponsor] on the [Reuters page]] [●] or on any replacement page. If such rate is not published on another [Reuters page] [●], the Relevant Exchange Rate means the [●] [mid]rate [of the Reference Currency to Euro], as determined by the Calculation Agent on the basis of the page of another screen service] [*insert other method for determining Relevant Exchange Rate: ●*]. If the abovementioned Exchange Rate can no longer be determined in the way described above or any other way mentioned above, the Calculation Agent may determine the Relevant Exchange Rate on the basis of applicable market practice and considering the prevailing market conditions.]

["**Minimum Redemption Factor**" means the minimum redemption factor as specified in **Table 1** in the Annex.]

["**Denomination**" means the denomination as specified in **Table 1** in the Annex (as expressed in the Settlement Currency).]

["**Participation Factor**" means the participation factor as specified in **Table 1** in the Annex.]

["**Reference Price**" means [the [closing level] [closing price] [Price] [[offer] [mid] [bid] price] [●] [of the Underlying] [of a Basket Component] [in [*insert currency: ●*]] [as determined on the relevant Exchange] [as [calculated and published by the Index Sponsor] [determined on the relevant Reference Market] [determined by the relevant Reference Agent] [and] [displayed on [Reuters] [Bloomberg] [●] [*insert Internet site: ●*] or any replacement page] on a Scheduled Trading Day, as determined by the Calculation Agent.]]

["**Reference Currency**" means the Reference Currency as specified in **Table 2** in the Annex [in respect of the relevant Basket Component].]

["**Redemption Date**" means, subject to an extraordinary termination [or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions] [the redemption date as specified in **Table 1** in the Annex] [or, if that date is not a Business Day, the next following Business Day.]] [In the event of the postponement of the Final Fixing Date, the Redemption Date shall be postponed accordingly [irrespective of whether the Redemption Date is postponed for one or more Basket Components].] [the fifth (5th) Business Day following the Final Fixing Date]]

["**Worst Performance**" means [the worst performance of the relevant Basket Components as determined by the Calculation Agent, with the performance of each Basket Component being calculated by division of the corresponding Final Fixing Level by the corresponding Initial Fixing Level.]]

["**TARGET2 System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system which utilises a single shared platform and which

was launched on 19 November 2007, or any successor thereto.]

"Final Fixing Date" means [the final fixing date as specified in **Table 1** in the Annex [or, if such day is not a Scheduled Trading Day [in respect of one or more Basket Components], the next following day which is a Scheduled Trading Day [in respect of [the relevant Basket Component][all Basket Components]].] [In the event of the postponement of the Underlying Valuation Date corresponding to the Final Fixing Date, the relevant Final Fixing Date shall be postponed accordingly.]]

"Scheduled Trading Day" has the meaning ascribed in § 11 (3) of the Issue Specific Conditions.]

"Website" means the Website as specified in **Table 1** in the Annex.]

"Exchange Rate Page" means the exchange rate page as specified in **Table 2** in the Annex.]

"Exchange Rate Sponsor" means the exchange rate sponsor as specified in **Table 2** in the Annex.]

"Paying Agent" means the paying agent as specified in **Table 1** in the Annex.]

§ 4

Redemption

[insert if COSI is applicable:]

(1) Redemption Amount

The **"Redemption Amount"** in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3) or subject to the occurrence of a Liquidation Event according to § 10 of the Issue Specific Conditions, the Denomination multiplied by the total of (i) the Minimum Redemption Factor and (ii) the Participation Factor multiplied by the Performance of the [Underlying][Basket Component with the Worst Performance].

[The **"Performance of the Underlying"** equals the quotient of (i) the difference between the Final Fixing Level and the Initial Fixing Level and (ii) the Initial Fixing Level.][The **"Performance of the Basket Component"** equals the quotient of (i) the difference between the Final Fixing Level and the Initial Fixing Level and (ii) the Initial Fixing Level of the respective Basket Component].

The Redemption Amount will be *[insert if Currency Conversion is applicable:]* converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and] commercially

rounded to two (2) decimal places.

(2) Minimum Redemption

[The Redemption Amount equals the Denomination multiplied by the Minimum Redemption Factor. if the Final Fixing Level is at or below the Initial Fixing Level (the "**Minimum Redemption Amount**")][The Redemption Amount equals the Denomination multiplied by the Minimum Redemption Factor. if the Final Fixing Level of the Basket Component with the Worst Performance is at or below the Initial Fixing Level (the "**Minimum Redemption Amount**")].

(3) Maximum Redemption

[The Redemption Amount equals the Denomination multiplied by the total of (i) the Minimum Redemption Factor and (ii) the Participation Factor multiplied by the difference between the Cap Level and 100 per cent., if the Final Fixing Level exceeds the Initial Fixing Level multiplied by the Cap Level (the "**Maximum Redemption Amount**")][The Redemption Amount equals the Denomination multiplied by the total of (i) the Minimum Redemption Factor and (ii) the Participation Factor multiplied by the difference between the Cap Level and 100 per cent., if the Final Fixing Level of the Basket Component with the Worst Performance exceeds the Initial Fixing Level multiplied by the Cap Level (the "**Maximum Redemption Amount**")].

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent *[insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]*

[insert if COSI is not applicable:

(1) Redemption Amount

The "**Redemption Amount**" in the Settlement Currency per Product equals, subject to a Minimum Redemption pursuant to paragraph (2) and a Maximum Redemption pursuant to paragraph (3), the Denomination multiplied by the total of (i) the Minimum Redemption Factor and (ii) the Participation Factor multiplied by the Performance of the [Underlying][Basket Component with the Worst Performance].

[The "**Performance of the Underlying**" equals the quotient of (i) the difference between the Final Fixing Level and the Initial Fixing Level and (ii) the Initial Fixing Level][The "**Performance of the Basket Component**" equals the quotient of (i) the difference between the Final Fixing Level and the Initial Fixing Level and (ii) the Initial Fixing Level of the respective Basket Component].

The Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

(2) Minimum Redemption

[The Redemption Amount equals the Denomination multiplied by the Minimum Redemption Factor. if the Final Fixing Level is at or below the Initial Fixing Level (the "**Minimum Redemption Amount**")][The Redemption Amount equals the Denomination multiplied by the Minimum Redemption Factor. if the Final Fixing Level of the Basket Component with the Worst Performance is at or below the Initial Fixing Level (the "**Minimum Redemption Amount**")].

(3) Maximum Redemption

[The Redemption Amount equals the Denomination multiplied by the total of (i) the Minimum Redemption Factor and (ii) the Participation Factor multiplied by the difference between the Cap Level and 100 per cent., if the Final Fixing Level exceeds the Initial Fixing Level multiplied by the Cap Level (the "**Maximum Redemption Amount**")][The Redemption Amount equals the Denomination multiplied by the total of (i) the Minimum Redemption Factor and (ii) the Participation Factor multiplied by the difference between the Cap Level and 100 per cent., if the Final Fixing Level of the Basket Component with the Worst Performance exceeds the Initial Fixing Level multiplied by the Cap Level (the "**Maximum Redemption Amount**")].

The Maximum Redemption Amount will be *[insert if Currency Conversion is applicable: converted into the Settlement Currency in accordance with paragraph (4), as the case may be, and]* commercially rounded to two (2) decimal places.

[insert if Currency Conversion is applicable:

(4) Currency exchange

The Reference Currency shall be converted into the Settlement Currency by the Calculation Agent [insert if Quanto is not applicable: on the basis of the exchange rate expressed in the Reference Currency for 1 unit of the Settlement Currency which is published on the Final Fixing Date on the Exchange Rate Page or on any replacement page. If the conversion is performed at a time on the relevant day when an updated exchange rate is not yet published on the Exchange Rate Page, the Calculation Agent shall perform the conversion on the basis of the exchange rate last published on the Exchange Rate Page. If the Exchange Rate Page is not available on the designated date or if the exchange rate is not published, the exchange rate shall be the exchange rate which is published on the corresponding page of another business information service. If the exchange rate is no longer published in any way mentioned above, the Calculation Agent may determine the exchange rate on the basis of applicable market practice and considering the prevailing market conditions in its reasonable discretion.][insert if Quanto is applicable: at an exchange rate of 1 unit of the Reference Currency to 1 unit of the Settlement Currency ("Quanto").]]

§ 5

Interest, Coupon Payments

The Products bear no interest.

§ 6

(intentionally left blank)

§ 7

(intentionally left blank)

§ 8

Payments

(1) Payments

The Issuer shall cause the claimed Redemption Amount, if any, to be transferred via the Paying Agent to the Clearing System for transmitting to the Holders by the Redemption Date. If a Redemption Date falls on a day which is not a Business Day and is deferred in accordance with § 3 of the Issue Specific Conditions, the Holder is neither entitled to request further interest or other payments due to the deferment, nor must they accept a reduction in interest due to the deferment.

(2) Declaration on Regulation S

A declaration that neither the Holder nor the beneficial owner of the Products is a US person is deemed to have been made automatically. The terms used in this paragraph have the meanings attached to them by Regulation S of the United States Securities Act of 1933 as amended from time to time.

(3) Taxes, Fees and Duties

All taxes, fees and other duties incurred in connection with the exercise of the Products rights shall be borne and paid by the Holder. The Issuer and/or or Paying Agent may withhold from the Redemption Amount or any other amounts payable to the Holder any taxes, fees or duties which are to be paid by the Holder according to the above sentence.

§ 9

(intentionally left blank)

[insert in the case COSI is applicable:]

§ 10

Collateral Secured Instruments (COSI)

(1) Collateralization of the Product

COSI-Product (hereinafter «COSI Product» or «Product») is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». The Issuer («Collateral Provider») undertakes to secure the value of the COSI Product at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The COSI Product and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis

from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the COSI Product at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the COSI Products. A change of Collateral Provider shall be notified in accordance with the provisions of these Conditions.

(2) Documentation

The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the Collateral Provider dated 10 September 2010, in the case of Products issued by Leonteq Securities AG, or dated 5 October 2012, in the case of Products issued by Leonteq Securities AG, Guernsey Branch («Framework Agreement»). **The investor is not party to the Framework Agreement. The Framework Agreement constitutes an integral part of these Conditions.** In the event of any contradiction between the provisions of these Conditions and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained from Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, via telephone +41 (0)58 800 1000, fax +41 (0)58 800 1010. The core elements of collateralization of the COSI Product are summarised in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

(3) Collateralization method

The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the COSI Product and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each COSI Product upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI Product. If prices for the COSI Product calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a COSI Product that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the COSI Product. If the final bid-side purchase price of the COSI Product on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for COSI Products are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the COSI Product shall be determined exclusively in accordance with

the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of Product shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] (the "**Value Determination Method**") of these Special Conditions of SIX Swiss Exchange.

(4) *Distribution and market making*

The distribution of the COSI Product shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the COSI Product is in place.

(5) *Risks*

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the COSI Product rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of COSI Product in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in COSI Product.

(6) *Liquidation of collateral*

If the Collateral Provider fails to fulfil its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfil a payment or delivery obligation under a COSI Product upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfilment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under

Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the COSI Product to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the COSI Product are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the COSI Product within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

(7) Determination of a Liquidation Event

SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

(8) Procedure in case of a Liquidation Event

If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all COSI Products of the issuer may be suspended, and the COSI Products of the issuer may be delisted.

(9) Maturity of the COSI Products as well as investors' claims against SIX Swiss Exchange and the issuer

All of the issuer's COSI Products under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the COSI Products have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favour of third parties (Article 112 paragraph 2 of the Swiss Code of

Obligations) which is irrevocable on the part of the Collateral Provider. The acquisition of a COSI Product by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the COSI Product. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all COSI Products of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the COSI Products mature in accordance with the Framework Agreement. The Current Values of the COSI Products on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the COSI Products.

(10) Costs of liquidation and payout for the benefit of the investors

The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flatrate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in COSI Products of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of COSI Products that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its COSI Products, is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their COSI Product via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in COSI Products either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in COSI Products conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should

the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his COSI Products. Should the combined Current Values of all investors in the issuer's COSI Products exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in COSI Products of the issuer.

In the case of COSI Products in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of COSI Products of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such COSI Products and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the COSI Products as well as the applicable exchange rates.

The investors' claims against the issuer arising from the COSI Products are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of COSI Products of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the COSI Products to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for COSI Products under the terms of the Framework Agreement.

(11) Secondary Listing

Apart from the primary listing of the COSI Products on SIX Swiss Exchange the issuer may apply for a secondary listing on further exchanges. All aspects and events related to a secondary listing of the COSI Products shall be disregarded under the Framework Agreement. In particular, prices of the COSI Products on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the COSI Products on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI Products from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI Products pursuant to the Framework Agreement in the countries where a secondary

listing is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

(12) Liability

The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of COSI Products, in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of COSI Products is made via SIX SIS participants to the extent these participants hold the COSI Products in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of COSI Products that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.

(13) No authorisation

COSI Products do not constitute collective investment schemes pursuant to the Swiss Federal Act on Collective Investment Schemes (CISA). They do not require authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA.

(14) Congruence with the Conditions

This section "Collateral Secured Instruments (COSI)" corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the Conditions:

Term used in this	Corresponding definition in these Conditions
§ 10 "Collateral Secured Instruments (COSI)"	
investor	Holder
issuer	Issuer
issuing conditions	Terms and Conditions, Conditions
maturity	Redemption, Redemption Date, Final Fixing Date

The provisions of this section "Collateral Secured Instruments (COSI)" take precedence in the event of contradiction between this section "Collateral Secured Instruments (COSI)" and the other

content of the Conditions.]

[insert in the case COSI is not applicable:

§ 10
(intentionally left blank)]

Part B. Underlying Specific Conditions

[insert in the case of Products linked to Shares as Underlying or as a Basket Component:

§ 11**Market Disruption****(1) Consequences of Disrupted Days**

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) ***Existence of a Market Disruption Event***

"Market Disruption Event" means

the occurrence or existence of (1) a Trading Disruption, (2) an Exchange Disruption, which in either case the Issuer and/or Calculation Agent regard as material, at any time during the one-hour period that ends at the relevant Valuation Time, or (3) an Early Closure.

(3) ***Definitions***

"Valuation Time" means, in respect of the Share, the time at which the official closing price of the Share is calculated on and published by the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

"Exchange Business Day" means, in respect of the Share, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of the Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer and/or Calculation Agent) the ability of market participants in general (1) to effect transactions in, or obtain market values for, the Share on the Exchange, or (2) to effect transactions in, or obtain market values for, futures or options contracts

relating to such Share on any relevant Related Exchange.

"Trading Disruption" means, in respect of the Share, 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 (1) relating to the Share on the Exchange or (2) in futures or options contracts relating to the Share on any relevant Related Exchange.

"Disrupted Day" means, in respect of the Share, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Related Exchange(s)" means, in respect of the Share, each exchange or quotation system, any successor to such exchange or quotation system or any substitute exchange or quotation system where trading has a material effect (as determined by the Issuer and/or Calculation Agent in its reasonable discretion) on the overall market for futures or options contracts relating to such Share.

"Scheduled Closing Time" means, in respect of the Share, and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"Scheduled Trading Day" means, in respect of the Share, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Early Closure" means, in respect of the Share, the closure on any Exchange Business Day of any relevant Exchange(s) relating to the Share or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (2) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

§ 12 Adjustments

(1) Conditions precedent for an adjustment

In the case of a Potential Adjustment Event or Extraordinary Event the Issuer and/or Calculation Agent are entitled to adjust the Conditions taking into account the following provisions. The Issuer

and/or Calculation Agent is, however, not obliged to perform adjustments.

(2) *Existence and consequences of a Potential Adjustment Event*

(a) Existence of a Potential Adjustment Event

A "**Potential Adjustment Event**" is given in the case of any of the following events, as determined by the Issuer and/or Calculation Agent:

(i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of relevant Shares of (1) such Shares or (2) other share capital or securities granting the right to payment of dividends and/or a share in the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares or (3) share capital or other securities of another share issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Issuer and/or Calculation Agent;

(iii) an amount per Share which the Issuer and/or Calculation Agent determine should be characterised as an extraordinary dividend;

(iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;

(v) a repurchase by the Share Issuer or any of its affiliates of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of the Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or similar arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Issuer and/or Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any exercise of such rights; or

(vii) any other event that may have, in the opinion of the Issuer and/or Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

(b) Consequences of a Potential Adjustment Event

Following the declaration of any Potential Adjustment Event in relation to the Share, the Issuer

and/or Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Share and, if so, will:

(i) make the corresponding adjustment(s), if appropriate, to the Conditions as the Issuer and/or Calculation Agent determine appropriate to account for that diluting or concentrative effect; and

(ii) determine the effective date(s) of the adjustment(s). In such case, such adjustments shall be deemed to be so made from such date(s). The Issuer and/or Calculation Agent may (but need not) perform the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by the Related Exchange(s).

(3) *Existence and consequences of an Extraordinary Event*

(a) Existence of an Extraordinary Event

An "**Extraordinary Event**" is given in the case of a Merger Event, a Tender Offer, a Nationalisation, an Insolvency or a Delisting.

(b) Consequences of an Extraordinary Event

(i) In respect of a Merger Event or Tender Offer, the following will apply:

On or after the relevant Merger Date or Tender Offer Date (or such other date as the Issuer and/or Calculation Agent deem relevant), the Issuer and/or Calculation Agent shall (1) make such adjustment to the Conditions as the Issuer and/or Calculation Agent determine appropriate to account for the economic effect of such Merger Event or Tender Offer, or other event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Share), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by the Related Exchange(s) to options on the Share traded thereon and (2) determine the effective date of that adjustment.

(ii) In respect of a Nationalisation, Insolvency or Delisting, the following will apply:

On or after the date of the occurrence of the Nationalisation, Insolvency and/or Delisting, as determined by the Issuer and/or Calculation Agent, the Issuer and/or Calculation Agent shall (1) make such adjustment to the Conditions as the Issuer and/or Calculation Agent determine appropriate to account for the economic effect on the Products of the relevant event, (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Share), which may, but need not, be determined by reference to the adjustment(s) made in respect of a Nationalisation, Insolvency or Delisting by the Related Exchange(s) to options on the Share traded thereon and (2) determine the effective date of that adjustment.

(4) Notification of Adjustments

Upon making any adjustment pursuant to these Conditions, the Issuer and/or Calculation Agent shall give notice to the Holders in accordance with § 4 of the General Conditions, stating the relevant adjustment.

(5) Definitions

"Delisting" means, in respect of a Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union).

"Merger Event" means, in respect of a Share, any (1) reclassification or change of such Share that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (2) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding), (3) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (4) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its affiliates with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a **"Reverse Merger"**) in each case if the Merger Date is on or before the Final Fixing Date or, if and to the extent the applicable Final Terms provide for physical settlement, the Redemption Date.

"Insolvency" means, in respect of a Share, that by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or any analogous proceeding affecting a Share Issuer (1) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"Merger Date" means the closing date of a Merger Event (as determined by the Issuer and/or Calculation Agent) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer and/or Calculation Agent.

"Tender Offer" means, in respect of a Share, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Issuer and/or Calculation Agent, based upon filings made to governmental or self-regulatory agencies or such other information as the Issuer and/or Calculation Agent deem relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold (which shall be more than 10% and less than 100% of the outstanding voting shares of the Share Issuer) are actually purchased or otherwise obtained (as determined by the Issuer and/or Calculation Agent).

"Nationalisation" means, in respect of a Share, that all the Shares of a Share Issuer or all the assets or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

[insert in the case of a Basket as Underlying:

(6) Additional adjustments in the case of a Basket as Underlying

If in relation to a Basket Component an adjustment (as described in the Conditions) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to the Conditions in relation to each Basket Component) be entitled, but not obliged to either

- (i) remove from the Basket the affected Basket Component without replacement (if applicable by implementing correction factors with respect to the remaining Basket Components) or
- (ii) replace the Basket Component in whole or in part by a new Basket Component (if applicable by implementing correction factors with respect to the Basket Components contained in the Basket) (the **"Successor Basket Component"**).

In this case the Successor Basket Component will be deemed to be the Basket Component and any reference in these Conditions to the affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.]

§ 13

Extraordinary Termination

(1) Existence of an Additional Termination Event

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 10 is not

possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"Additional Termination Event" means [an Increased Cost of Hedging][,][a Change in Law][,][a Hedging Disruption][,][an Insolvency Filing][,] [and] [a Failure to Deliver][,] [and] [a Reduced Number of Shares][,] [and] [an Increased Cost of Collateralization].

(2) *Redemption in the event of an Extraordinary Termination*

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8.

(3) *Definitions*

["Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["Change in Law" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) it has become illegal to hold, acquire or dispose of the Underlying(s) or, in the case of a Basket as Underlying, one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in

performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

["Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.]

["Hedging Disruption" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Insolvency Filing" means, in respect of a Share, that the Share Issuer institutes or has instituted against it by a regulator, supervisor or similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its principal or registered office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.]

["Failure to Deliver" means, in respect of a Share, the failure of the Share Issuer to deliver, when due, the relevant Shares, where such failure to deliver is due to illiquidity in the market for such Shares.]

["Reduced Number of Shares" means that at any time following an Extraordinary Event there remain less than [●] Shares of Share Issuers (the **"Relevant Number of Shares"**) for the purposes of determining the redemption of the Products in accordance with these Conditions.])

[insert in the case of Products linked to an Index as Underlying or as a Basket Component:

§ 11 Market Disruption

(1) Consequences of Disrupted Days

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8)

Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and
- (II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying

Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) ***Existence of a Market Disruption Event***

"Market Disruption Event" means

the occurrence or existence of (1) a Trading Disruption or (2) an Exchange Disruption, which in either case the Issuer and/or Calculation Agent regard as material, at any time during the one-hour period that ends at the relevant Valuation Time, or (3) an Early Closure. For the purpose of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

(3) ***Definitions***

"**Valuation Time**" means, in respect of the Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"**Exchange**" means, in respect of the Index, any exchange or quotation system, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the components contained in such Index has relocated or temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means, in respect of the Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means, in respect of the Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer and/or Calculation Agent) the ability of market participants in general (1) to effect transactions in, or obtain market values on, any relevant Exchange for securities that comprise 20 per cent or more of the level of such Index, or (2) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on

any relevant Related Exchange.

"Trading Disruption" means, in respect of the 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 (1) relating to securities that comprise 20 per cent or more of the level of such Index on any relevant Exchange or (2) in futures or options contracts relating to the Index on any relevant Related Exchange.

"Disrupted Day" means, in respect of the Index, any Scheduled Trading Day on which (1) the Index Sponsor fails to publish the level of the Index, (2) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or (3) on which a Market Disruption Event has occurred.

"Related Exchange(s)" means, in respect of the Index, each exchange or quotation system, any successor to such exchange or quotation system or any substitute exchange or quotation system where trading has a material effect (as determined by the Issuer and/or Calculation Agent in its reasonable discretion) on the overall market for futures or options contracts relating to such Index.

"Scheduled Closing Time" means, in respect of the Index, and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"Scheduled Trading Day" means, in respect of the Index, any day on which the Index Sponsor is scheduled to calculate and publish the level of the Index.

"Early Closure" means, in respect of the Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (2) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

§ 12

Adjustments

(1) *Successor Index Sponsor calculates and announces the Index*

If the Index is (x) not calculated and announced by the Index Sponsor but is calculated and

announced by a successor to the Index Sponsor (the "**Successor Index Sponsor**") acceptable to the Issuer and/or Calculation Agent or (y) replaced by a successor index using, in the determination of the Issuer and/or Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation, of such Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

(2) *Index Modification, Index Cancellation and Index Disruption*

If, in the determination of the Issuer and/or Calculation Agent, in respect of the Index (x) on or before any Underlying Valuation Date the Index Sponsor or (if applicable) Successor Index Sponsor announces that it will make a material change in the formula for or method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent securities and capitalisation and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"); or (y) on any Underlying Valuation Date the Index Sponsor or (if applicable) Successor Index Sponsor fails to calculate and announce the level of the Index (an "**Index Disruption**"), then the Issuer and/or Calculation Agent shall determine if such event has a material effect on the Products and, if so, shall calculate the relevant amount using, in lieu of a published level for the Index, the level for the Index as at the relevant date as determined by the Issuer and/or Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised the Index immediately prior to that event and shall notify the Holders thereof (in accordance with § 4 of the General Conditions). None of the Issuer and/or Calculation Agent or the Paying Agents shall have any responsibility in respect of any error or omission or subsequent correction made in the calculation or publication of an index, whether caused by negligence or otherwise.

(3) *Notification of Adjustments*

Upon making any adjustment pursuant to these Conditions, the Issuer and/or Calculation Agent shall give notice to the Holders in accordance with § 4 of the General Conditions, stating the relevant adjustment.

[insert in the case of a Basket as Underlying:

(4) *Additional adjustments in the case of a Basket as Underlying*

If in relation to a Basket Component an adjustment (as described in the Conditions) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to the Conditions in relation to each Basket Component) be entitled, but not obliged to either

(i) remove from the Basket the affected Basket Component without replacement (if applicable by implementing correction factors with respect to the remaining Basket Components) or

(ii) replace the Basket Component in whole or in part by a new Basket Component (if applicable by implementing correction factors with respect to the Basket Components contained in the Basket) (the "**Successor Basket Component**").

In this case the Successor Basket Component will be deemed to be the Basket Component and any reference in these Conditions to the affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.]

§ 13

Extraordinary Termination

(1) *Existence of an Additional Termination Event*

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"**Additional Termination Event**" means [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Increased Cost of Collateralization].

(2) *Redemption in the event of an Extraordinary Termination*

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) *Definitions*

["**Increased Cost of Hedging**" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["Change in Law" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) it has become illegal to hold, acquire or dispose of the components comprised in the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

"Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.

["Hedging Disruption" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]]

[insert in the case of Products linked to a Security representing shares as Underlying or as a Basket Component:

§ 11

Market Disruption

(1) *Consequences of Disrupted Days*

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day.

In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and
- (II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted

Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) *Existence of a Market Disruption Event*

"Market Disruption Event" means

(a) in respect of the Security representing Shares, (x) the occurrence or existence of (1) a Trading Disruption, (2) an Exchange Disruption, which in either case the Issuer and/or Calculation Agent regard as material, at any time during the one-hour period that ends at the relevant Valuation Time, or (3) an Early Closure, in each case in relation to the Security representing Shares, or (y) the existence of a Market Disruption Event in relation to the relevant Underlying Share and

(b) in respect of an Underlying Share, the occurrence or existence of (1) a Trading Disruption, (2) an Exchange Disruption, which in either case the Issuer and/or Calculation Agent regard as material, at any time during the one-hour period that ends at the relevant Valuation Time, or (3) an Early Closure, in each case in respect of such Underlying Share.

(3) *Definitions*

"Share" means (i) for the determination whether a Potential Adjustment Event, a Merger Event, a Tender Offer, a Nationalisation or an Insolvency has occurred, the Underlying Share and (ii) for all other purposes, the Underlying Share and the Security representing Shares.

"Share Issuer" means the company that has issued the Underlying Share.

"Valuation Time" means, in respect of a Share, the time at which the official closing price of the Share is calculated on and published by the Exchange. If the Exchange closes prior to its Scheduled Closing Time and the Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

"Underlying Share" means the relevant share represented by the Security representing Shares, as issued by the relevant Share Issuer.

"Exchange" means

(i) in respect of the Security representing Shares, the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Security representing Shares has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable

discretion that there is comparable liquidity relative to the Security representing Shares on such temporary substitute exchange or quotation system as on the original Exchange); and

(ii) in respect of the Underlying Share, the exchange on which the Underlying Share is principally traded, as determined by the Issuer and/or Calculation Agent.

"Exchange Business Day" means, in respect of a Share, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of a Share, any event (other than an Early Closure) that disrupts or impairs (as determined by the Issuer and/or Calculation Agent) the ability of market participants in general (1) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (2) to effect transactions in, or obtain market values for, futures or options contracts relating to such Shares on any relevant Related Exchange.

"Trading Disruption" means, in respect of a Share, any suspension of or limitation imposed on trading by the 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 (1) relating to the Share on the Exchange or (2) in futures or options contracts relating to the Shares on a relevant Related Exchange.

"Disrupted Day" means, in respect of the Security representing Shares, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Related Exchange(s)" means, in respect of a Share, each exchange or quotation system, any successor to such exchange or quotation system or any substitute exchange or quotation system where trading has a material effect (as determined by the Issuer and/or Calculation Agent in its reasonable discretion) on the overall market for futures or options contracts relating to such Share.

"Scheduled Closing Time" means, in respect of a Share and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"Scheduled Trading Day" means, in respect of a Share, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"Early Closure" means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange(s) relating to the Share or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (1) the actual closing time for the regular trading

session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (2) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

§ 12 Adjustments

(1) Conditions precedent for an adjustment

In the case of any amendments or supplements to terms of the Deposit Agreement for the Security representing Shares, any Potential Adjustment Event or any Extraordinary Event the Issuer is entitled to adjust the Conditions taking into account the following provisions. The Issuer is, however, not obliged to perform adjustments.

(2) Existence and consequences of a Potential Adjustment Event

(a) Existence of a Potential Adjustment Event

A "**Potential Adjustment Event**" is given in the case of any of the following events, as determined by the Issuer and/or Calculation Agent:

(i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of relevant Shares of (1) such Shares or (2) other share capital or securities granting the right to payment of dividends and/or a share in the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares or (3) share capital or other securities of another share issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Issuer and/or Calculation Agent;

(iii) an amount per Share which the Issuer and/or Calculation Agent determine should be characterised as an extraordinary dividend;

(iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;

(v) a repurchase by the Share Issuer or any of its affiliates of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of the Share Issuer, an event that results in any shareholder rights being distributed or

becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or similar arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Issuer and/or Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any exercise of such rights; or

(vii) any other event that may have, in the opinion of the Issuer and/or Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

(b) *Consequences of a Potential Adjustment Event*

If the terms of the Deposit Agreement for the Security representing Shares are amended or supplemented or following the declaration of any Potential Adjustment Event in relation to the Security representing Shares, the Issuer and/or Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Security representing Shares and, if so, will:

(i) make the corresponding adjustment(s), if appropriate, to the Conditions as the Issuer and/or Calculation Agent determine appropriate to account for that diluting or concentrative effect; and

(ii) determine the effective date(s) of the adjustment(s). In such case, such adjustments shall be deemed to be so made from such date(s). The Issuer and/or Calculation Agent may (but need not) perform the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by the Related Exchange(s).

(3) *Existence and consequences of an Extraordinary Event*

(a) *Existence of an Extraordinary Event*

An "Extraordinary Event" is given in the case of a Merger Event, a Tender Offer, a Nationalisation, an Insolvency or a Delisting.

(b) *Consequences of an Extraordinary Event*

(i) In respect of a Merger Event or Tender Offer, the following will apply:

On or after the relevant Merger Date or Tender Offer Date (or such other date as the Issuer and/or Calculation Agent deem relevant), the Issuer and/or Calculation Agent shall (1) make such adjustment to the Conditions as the Issuer and/or Calculation Agent determines appropriate to account for the economic effect of such Merger Event or Tender Offer, or other event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Share or to the Security representing Shares) on the Products, which

may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by the Related Exchange(s) to options on the relevant Underlying Share or on the Security representing Shares traded thereon and (2) determine the effective date of that adjustment.

(ii) In respect of a Nationalisation, Insolvency or Delisting, the following will apply:

On or after the date of the occurrence of the Nationalisation, Insolvency and/or Delisting, as determined by the Issuer and/or Calculation Agent, the Issuer and/or Calculation Agent shall (1) make such adjustment to the Conditions as the Issuer and/or Calculation Agent determine appropriate to account for the economic effect of the relevant event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Share or the Security representing Shares) on the Products, which may, but need not, be determined by reference to the adjustment(s) made in respect of a Nationalisation, Insolvency or Delisting by the Related Exchange(s) to options on the Underlying Share or on the Security representing Shares traded thereon and (2) determine the effective date of that adjustment.

(4) *Replacement of the Security representing Shares*

If the Deposit Agreement is terminated, then on or after the date of such termination, references to the Security representing Shares shall be replaced by references to the Underlying Shares and the Issuer and/or Calculation Agent will adjust any relevant terms and will determine the effective date of such replacement and adjustments.

(5) *Notification of Adjustments*

Upon making any adjustment pursuant to these Conditions, the Issuer and/or Calculation Agent shall give notice to the Holders in accordance with § 4 of the General Conditions, stating the relevant adjustment.

(6) *Definitions*

"Delisting" means, in respect of a Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union).

"Merger Event" means, in respect of a Share, any (1) reclassification or change of such Share that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (2) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not

result in a reclassification or change of all such Shares outstanding), (3) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (4) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its affiliates with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "**Reverse Merger**") in each case if the Merger Date is on or before the Final Fixing Date or, if and to the extent the applicable Final Terms provide for physical settlement, the Redemption Date.

"Deposit Agreement" means the agreement or other instrument constituting the Securities representing Shares, as amended from time to time.

"Insolvency" means, in respect of a Share, that by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or any analogous proceeding affecting a Share Issuer (1) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"Merger Date" means the closing date of a Merger Event (as determined by the Issuer and/or Calculation Agent) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer and/or Calculation Agent.

"Tender Offer" means, in respect of a Share, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Issuer and/or Calculation Agent, based upon filings made to governmental or self-regulatory agencies or such other information as the Issuer and/or Calculation Agent deem relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold (which shall be more than 10% and less than 100% of the outstanding voting shares of the Share Issuer) are actually purchased or otherwise obtained (as determined by the Issuer and/or Calculation Agent).

"Nationalisation" means, in respect of a Share, that all the Shares of a Share Issuer or all the assets or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

[insert in the case of a Basket as Underlying:

(6) Additional adjustments in the case of a Basket as Underlying

If in relation to a Basket Component an adjustment (as described in the Conditions) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to the Conditions in relation to each Basket Component) be entitled, but not obliged to either

(i) remove from the Basket the affected Basket Component without replacement (if applicable by implementing correction factors with respect to the remaining Basket Components) or

(ii) replace the Basket Component in whole or in part by a new Basket Component (if applicable by implementing correction factors with respect to the Basket Components contained in the Basket) (the "**Successor Basket Component**").

In this case the Successor Basket Component will be deemed to be the Basket Component and any reference in these Conditions to the affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.]

§ 13

Extraordinary Termination

(1) Existence of an Additional Termination Event

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"**Additional Termination Event**" means [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Insolvency Filing][,] [and] [a Failure to Deliver][,] [and] [a Reduced Number of Shares][,] [and] [an Increased Cost of Collateralization].

(2) Redemption in the event of an Extraordinary Termination

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) Definitions

["Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["Change in Law" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) it has become illegal to hold, acquire or dispose of the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

["Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.]

["Hedging Disruption" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Insolvency Filing" means, in respect of a Share, that the Share Issuer institutes or has instituted against it by a regulator, supervisor or similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its principal or registered office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other

similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing.]

["Failure to Deliver" means, in respect of a Share, the failure of the Share Issuer to deliver, when due, the relevant Shares, where such failure to deliver is due to illiquidity in the market for such Shares.]

["Reduced Number of Shares" means that at any time following an Extraordinary Event there remain less than [●] Shares of Share Issuers (the **"Relevant Number of Shares"**) for the purposes of determining the redemption of the Products in accordance with these Conditions.]]

[insert in the case of Products linked to a Commodity as Underlying or as a Basket Component:

§ 11

Market Disruption

(1) *Consequences of Disrupted Days*

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component

immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) *Existence of a Market Disruption Event*

"Market Disruption Event" means

(a) (i) the failure of a Reference Market or Price Source to announce or publish a price relevant for the Products; or (ii) the temporary or permanent discontinuance or unavailability of such Price Source; or (iii) the disappearance or permanent discontinuance or unavailability of a price relevant for the Products (notwithstanding the availability of the related Price Source or the status of trading in the relevant Commodity);

(b) the material suspension or limitation of trading in the Commodity on the relevant Reference

Market or in futures or options contracts relating to the Commodity on a futures exchange where such contracts are usually traded;

(c) the failure of trading to commence, or the permanent discontinuation of trading, (i) in the Commodity on the Reference Market or (ii) in futures or options contracts relating to the Commodity on a futures exchange where such contracts are usually traded;

(d) the occurrence since the Initial Fixing Date of a material change (i) in the formula for or method of calculating the price relevant for the Products; or (ii) in the content, composition or constitution of the Commodity or of futures or options contracts relating to the Commodity, or

(e) the imposition of, change in, or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the Commodity or futures or options contracts relating to the Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government or tax authority, if the direct effect of such imposition, change or removal is to raise or lower a relevant price on a Underlying Valuation Date from what it would have been without such imposition, change or removal.

(3) Definitions

"Price Source" means, in respect of the Commodity, the price source as specified in **Table 2** in the Annex providing the relevant price of the Commodity for the Products.

"Reference Market" means, in respect of the Commodity, the reference market or the quotation system as specified in **Table 2** in the Annex, any successor to such reference market or quotation system or any substitute reference market or quotation system to which trading in the Commodity has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the Commodity on such temporary substitute reference market or quotation system as on the original reference market).

"Disrupted Day" means, in respect of the Commodity, any Scheduled Trading Day on which a relevant Reference Market fails to open for trading during its regular trading session or on which a Market Disruption Event - except for a Permanent Market Disruption Event (to the extent applicable)- has occurred.

"Scheduled Trading Day" means, in respect of the Commodity, any day on which the Reference Market is scheduled to calculate and publish the Price of the Commodity or, as the case may be, the Price Source is scheduled to publish the Price of the Commodity.

§ 12

Adjustments

(1) *Substitution of Reference Market and/or Price Source*

If the quotation of or trading in the Commodity on the Reference Market or the publication of the relevant price of the Commodity by the Price Source is permanently discontinued while concurrently the quotation or trading is maintained or is commenced on another reference market or if the relevant price of the Commodity is published by another price source, the Issuer shall be entitled to stipulate such other reference market as the new Reference Market and/or such other price source as the Price Source (the "**Substitute Reference Market**" or the "**Substitute Price Source**") through publication in accordance with § 4 of the General Conditions, provided that the Issuer has not terminated the Products in accordance with § 13 of the Issue Specific Conditions. In the case of such a substitution, any reference in the Conditions to the Reference Market and/or Price Source thereafter shall be deemed to refer to the Substitute Reference Market and/or Substitute Price Source.

(2) *Changes in the Commodity*

If at any time the Commodity is terminated and/or replaced by another value or if the Commodity is traded in a different quality, in a different consistency (e.g. with a different degree of purity or a different point of origin) or in a different standard measuring unit, the Issuer and/or the Calculation Agent are entitled, provided that the Issuer has not terminated the Products in accordance with § 13 of the Issue Specific Conditions, to make an adjustment to the Conditions, which in the assessment of the Issuer and/or the Calculation Agent is appropriate to reflect the amendments and/or to replace the Commodity with a successor commodity (the "**Successor Commodity**") which is economically equivalent to the original relevant concept of the Commodity. As the case may be, the Issuer and/or the Calculation Agent will multiply the relevant price of the Commodity by an adjustment factor in order to ensure the continuity of the development of the reference value(s) underlying the Products.

The Successor Commodity and the date of its initial application shall be published in accordance with § 4 of the General Conditions. Any reference in the Conditions to the Commodity shall, to the extent appropriate, be deemed to refer to the Successor Commodity.

§ 13

Extraordinary Termination

(1) *Existence of an Additional Termination Event*

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty

(30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"Additional Termination Event" means [a Permanent Market Disruption Event][,] [and] [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Increased Cost of Collateralization].

(2) *Redemption in the event of an Extraordinary Termination*

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) *Definitions*

["Permanent Market Disruption Event" means, in respect of the Commodity, any one or more of the events set out in (a), (b), (c), (d) and (e) in the definition as set out in § 11 (2) of the Issue Specific Conditions of "Market Disruption Event", if such event is in the determination of the Issuer and/or Calculation Agent permanent.]

["Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["Change in Law" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a

taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) it has become illegal to hold, acquire or dispose of the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

["Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.]

["Hedging Disruption" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]]

[insert in the case of Products linked to a currency exchange rate as Underlying or as a Basket Component:

§ 11 Market Disruption

(1) Consequences of Disrupted Days

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) *Existence of a Market Disruption Event*

"Market Disruption Event" means

(a) the suspension or absence of the announcement of a price of the Currency Exchange Rate relevant for the Products on the Reference Market or by the relevant Price Source;

(b) the suspension or limitation of banking activities in the Relevant Country the latter of which the Issuer and/or Calculation Agent determine material;

(c) the suspension or limitation of trading the latter of which the Issuer and/or Calculation Agent determine material;

(i) in a currency used in connection with the Currency Exchange Rate on the Reference Market, or

(ii) in futures or options contracts relating to a currency used in connection with the Currency Exchange Rate on a futures exchange where such contracts are usually traded, or

(iii) due to a directive of an authority or the Reference Market or due to a moratorium on banking activities in the country where the Reference Market is located, or due to any other reasons;

(d) the Early Closure of the Reference Market;

(e) a Relevant Country (aa) imposes any controls or announces its intention to impose any controls or (bb) (i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Issuer and/or Calculation Agent determine is likely to affect the ability of the Issuer and/or any of its affiliates to acquire, hold, transfer or realise a currency used in connection with the Currency Exchange Rate or otherwise to effect transactions in relation to such currency;

(f) the occurrence of an event which the Issuer and/or Calculation Agent determine would make it impossible for the Issuer and/or any of its affiliates to perform the following activities or impair or delay their performance;

(i) converting a currency used in connection with the Currency Exchange Rate into the Settlement Currency or any other currency through customary legal channels or transferring within or from any Relevant Country a currency used in connection with the Currency Exchange Rate due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer, as the case may be;

(ii) converting a currency used in connection with the Currency Exchange Rate into the other currency used in connection with the Currency Exchange Rate or into the Settlement Currency or any other currency at a rate at least as favourable as the rate for domestic financial institutions located in the Relevant Country;

(iii) transferring a currency used in connection with the Currency Exchange Rate from accounts inside the Relevant Country to accounts outside such Relevant Country, or

(iv) transferring a currency used in connection with the Currency Exchange Rate between accounts inside the Relevant Country or to a party that is a non-resident of such Relevant Country;

(g) the occurrence at any time of an event that disrupts or impairs (as determined by the Issuer and/or the Calculation Agent) the ability of market participants in general;

(i) to obtain market values for a currency used in connection with the Currency Exchange Rate, or

(ii) to effect transactions in, or obtain market values for, futures or options contracts relating to a currency used in connection with the Currency Exchange Rate on a futures exchange where such contracts are usually traded.

(3) Definitions

"Business Day" means, in respect of the Currency Exchange Rate, any Scheduled Trading Day on which the Reference Market is open for trading during its regular trading sessions, notwithstanding the Reference Market closing prior to its Scheduled Closing Time.

"Relevant Country" means, in respect of the Currency Exchange Rate, each of (i) any country (or any political or regulatory authority thereof) in which a currency used in connection with the Currency Exchange Rate is the legal tender or official currency; and (ii) any country (or any political or regulatory authority thereof) with which a currency used in connection with the Currency Exchange Rate in the opinion of the Issuer and/or Calculation Agent has a material connection.

"Price Source" means, in respect of the Currency Exchange Rate, the price source as specified in **Table 2** in the Annex providing the relevant price of the Currency Exchange Rate for the Products.

"Reference Market" means the reference market as specified in **Table 2** in the Annex.

"Disrupted Day" means, in respect of the Currency Exchange Rate, any Scheduled Trading Day on which the Reference Market fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Scheduled Closing Time" means, in respect of the Currency Exchange Rate, and in respect of the Reference Market and a Scheduled Trading Day, the scheduled weekday closing time of such Reference Market on such Scheduled Trading Day, without regard to any trading outside the regular trading session hours.

"Scheduled Trading Day" means, in respect of the Currency Exchange Rate, any day on which the Reference Market is scheduled to be open for trading for its regular trading sessions.

"Early Closure of the Reference Market" means, in respect of the Currency Exchange Rate, the closure on any Business Day of the Reference Market prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Market at least one hour prior to the actual closing time for the regular trading session on the Reference Market on such Business Day.

§ 12 Adjustments

(1) *Changes in the market conditions on the Reference Market*

If, in the determination of the Issuer and/or Calculation Agent, a material change in the market conditions has occurred on the Reference Market, the Issuer and/or Calculation Agent shall be entitled to effect adjustments to these Conditions to account for these changed market conditions.

(2) *Changes in the calculation of the Currency Exchange Rate*

Any changes in the calculation (including corrections) of the Currency Exchange Rate or in the composition or weighting of the price or other reference parameters based on which the Currency Exchange Rate is calculated shall not lead to an adjustment unless the Issuer and/or Calculation Agent determine that as a result of the changes (including corrections) the underlying concept and calculation of the Currency Exchange Rate are no longer comparable to the underlying concept or calculation of the Currency Exchange Rate applicable prior to such change. Adjustments may also be made as a result of the removal of the Currency Exchange Rate and/or its substitution by another underlying.

For the purpose of making any adjustments, the Issuer and/or Calculation Agent shall determine an adjusted value per unit of the Currency Exchange Rate which shall be used for the determination of the relevant price of the Currency Exchange Rate for the Products and which in its economic result shall correspond to the provisions prior to this change, and shall determine the day on which the adjusted value per unit of the Currency Exchange Rate shall apply for the first time taking into account the time the change occurred. The adjusted value per unit of the Currency Exchange Rate and the date of its first application shall be published pursuant to § 4 of the General Conditions.

(3) *Change in the currency used in connection with the Currency Exchange Rate*

In the event that a currency used in connection with the Currency Exchange Rate in its function as legal tender in the country or jurisdiction, or countries or jurisdictions, maintaining the authority, institution or other body which issues such currency is replaced by another currency or merged with another currency to become a common currency, the affected currency shall be replaced for the purposes of these Conditions by such replacing or merged currency, if applicable after appropriate adjustments according to the paragraph above have been made, (the "**Successor Currency**"). The Successor Currency and the date of its first application shall be published in accordance with § 4 of the General Conditions.

In this case any reference in these Conditions to the affected currency shall, to the extent appropriate, be deemed to refer to the Successor Currency.

(4) *Replacement of the Reference Market*

If the quotation of or trading in a currency used in connection with the Currency Exchange Rate on the Reference Market is permanently discontinued while concurrently a quotation or trading is started up or maintained on another market, the Issuer shall be entitled to stipulate such other market as relevant Reference Market (the "**Substitute Reference Market**") via publication in accordance with § 4 of the General Conditions, provided that the Issuer has not terminated the Products in accordance with § 13 of the Issue Specific Conditions.

In the case of such a substitution, any reference in these Conditions to the Reference Market thereafter shall be deemed to refer to the Substitute Reference Market.

The adjustment described above shall be published in accordance with § 4 of the General Conditions within the three (3) months-period following the permanent discontinuation of the quotation of or trading in the currency used in connection with the Currency Exchange Rate on the Reference Market, at the latest.

[insert in the case of a Basket as Underlying:

(5) *Additional adjustments in the case of a Basket as Underlying*

If in relation to a Basket Component an adjustment (as described in the Conditions) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to the Conditions in relation to each Basket Component) be entitled, but not obliged to either

(i) remove from the Basket the affected Basket Component without replacement (if applicable by implementing correction factors with respect to the remaining Basket Components) or

(ii) replace the Basket Component in whole or in part by a new Basket Component (if applicable by implementing correction factors with respect to the Basket Components contained in the Basket) (the "**Successor Basket Component**").

In this case the Successor Basket Component will be deemed to be the Basket Component and any reference in these Conditions to the affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.]

§ 13

Extraordinary Termination

(1) *Existence of an Additional Termination Event*

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an

Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"Additional Termination Event" means [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Increased Cost of Collateralization].

(2) *Redemption in the event of an Extraordinary Termination*

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) *Definitions*

["Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["Change in Law" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) [it has become illegal to hold, acquire or dispose of the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax

liability, decrease in tax benefit or other adverse effect on its tax position).]

["Hedging Entity"] means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.]

["Hedging Disruption"] means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]]

[insert in the case of Products linked to a futures contract as Underlying or as a Basket Component:

§ 11

Market Disruption

(1) *Consequences of Disrupted Days*

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant

Basket Component. In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and
- (II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

- (I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and
- (II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) Existence of a Market Disruption Event

"Market Disruption Event" means

- (a) (i) the failure of a Price Source to announce or publish a price relevant for the Products; or (ii) the temporary or permanent discontinuance or unavailability of such Price Source; or (iii) the disappearance or permanent discontinuance or unavailability of a price relevant for the Products (notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract);
- (b) the material suspension or limitation of trading (i) in the Futures Contract on the relevant

Exchange or (ii) on the Exchange in general;

(c) the failure of trading to commence, or the permanent discontinuation of trading, (i) in the Futures Contract on the Exchange or (ii) on the Exchange in general;

(d) the occurrence since the Initial Fixing Date of a material change (i) in the formula for or method of calculating the price relevant for the Products; or (ii) in the content, composition or constitution of the Futures Contract or of the underlying on which the Futures Contract is based, or

(e) the imposition of, change in, or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the Futures Contract or the underlying on which the Futures Contract is based (other than a tax on, or measured by reference to, overall gross or net income) by any government or tax authority, if the direct effect of such imposition, change or removal is to raise or lower a relevant price on a Underlying Valuation Date from what it would have been without such imposition, change or removal.

(3) Definitions

"Exchange" means, in respect of the Futures Contract, the exchange or the quotation system as specified in **Table 2** in the Annex, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Futures Contract has temporarily relocated (provided that the Issuer and/or Calculation Agent have determined in its reasonable discretion that there is comparable liquidity relative to the Futures Contract on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means, in respect of the Futures Contract, any Scheduled Trading Day on which the Exchange is open for trading during its regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

"Price Source" means, in respect of the Futures Contract, the price source as specified in **Table 2** in the Annex providing the relevant price of the Futures Contract for the Products.

"Disrupted Day" means, in respect of the Futures Contract, any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event - except for a Permanent Market Disruption Event (to the extent applicable) - has occurred.

"Scheduled Closing Time" means, in respect of the Futures Contract and in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"Scheduled Trading Day" means, in respect of the Futures Contract, any day on which the Exchange is scheduled to calculate and publish the Price of the Futures Contract or, as the case may

be, the Price Source is scheduled to publish the Price of the Futures Contract.

§ 12 Adjustments

(1) *Substitution of Reference Market and/or Price Source*

If the quotation of or trading in the Futures Contract on the Reference Market or the publication of the relevant price of the Futures Contract by the Price Source is permanently discontinued while concurrently the quotation or trading is maintained or is commenced on another reference market or if the relevant price of the Futures Contract is published by another price source, the Issuer shall be entitled to stipulate such other reference market as the new Reference Market and/or such other price source as the Price Source (the "**Substitute Reference Market**" or the "**Substitute Price Source**") through publication in accordance with § 4 of the General Conditions, provided that the Issuer has not terminated the Products in accordance with § 13 of the Issue Specific Conditions. In the case of such a substitution, any reference in the Conditions to the Reference Market and/or Price Source thereafter shall be deemed to refer to the Substitute Reference Market and/or Substitute Price Source.

(2) *Changes in the Futures Contract*

If at any time the Futures Contract is terminated and/or replaced by another value or if the relevant contract characteristics and/or conditions of the Futures Contract or the value underlying the Futures Contract are changed, the Issuer and/or the Calculation Agent are entitled, provided that the Issuer has not terminated the Products in accordance with § 13 of the Issue Specific Conditions, to make an adjustment to the Conditions, which in the assessment of the Issuer and/or the Calculation Agent is appropriate to reflect the amendments and/or to replace the Futures Contract with a successor futures contract (the "**Successor Futures Contract**") which is economically equivalent to the original relevant concept of the Futures Contract. As the case may be, the Issuer and/or the Calculation Agent will multiply the relevant price of the Futures Contract by an adjustment factor in order to ensure the continuity of the development of the reference value(s) underlying the Products.

The Successor Futures Contract and the date of its initial application shall be published in accordance with § 4 of the General Conditions. Any reference in the Conditions to the Futures Contract shall, to the extent appropriate, be deemed to refer to the Successor Futures Contract.

§ 13

Extraordinary Termination**(1) *Existence of an Additional Termination Event***

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"Additional Termination Event" means [a Permanent Market Disruption Event][,] [and] [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Increased Cost of Collateralization].

(2) *Redemption in the event of an Extraordinary Termination*

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) *Definitions*

["Permanent Market Disruption Event" means, in respect of the Futures Contract, any one or more of the events set out in (a), (b), (c), (d) and (e) in the definition as set out in § 11 (2) of the Issue Specific Conditions of "Market Disruption Event", if such event is in the determination of the Issuer and/or Calculation Agent permanent.]

["Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or

entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or borrowing transactions in respect of the Issuer's obligations arising from the Products.].

["**Change in Law**" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) it has become illegal to hold, acquire or dispose of the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

["**Hedging Entity**" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.].

["**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]]

[insert in the case of Products linked to a fixed rate or derivative instrument as Underlying or as a Basket Component:

§ 11

Market Disruption

(I) *Consequences of Disrupted Days*

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the

Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of

all Basket Components in accordance with § 4 of the General Conditions.]

(2) *Existence of a Market Disruption Event*

"Market Disruption Event" means

- (a) the suspension or absence of the announcement of a price of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument relevant for the Products on the Reference Market;
- (b) the suspension or limitation of trading the latter of which the Issuer and/or Calculation Agent determine material;
- (i) in the Fixed Rate Instrument or, as the case may be, the Derivative Instrument on the Reference Market, or
- (ii) due to a directive of an authority or the Reference Market or due to a moratorium on banking activities in the country where the Reference Market is located, or due to any other reasons, or
- (iii) in futures or options contracts relating to the Fixed Rate Instrument or, as the case may be, the Derivative Instrument on a futures exchange where such contracts are usually traded;
- (c) the Early Closure of the Reference Market;
- (d) the occurrence at any time of an event that disrupts or impairs (as determined by the Issuer and/or the Calculation Agent) the ability of market participants in general;
- (i) to obtain market values for the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, or
- (ii) to sell or transfer the Fixed Rate Instrument or, as the case may be, the Derivative Instrument or to exercise the rights conveyed by the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, or
- (iii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Fixed Rate Instrument or, as the case may be, the Derivative Instrument on a futures exchange where such contracts are usually traded;
- (e) any event other than such listed above which in its consequences is commercially comparable to those events;
- (f) the suspension or limitation of banking activities in the in the country where the Reference Market is located of which the Issuer and/or Calculation Agent determine material.

(3) *Definitions*

"Business Day" means, in respect of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, any Scheduled Trading Day on which the Reference Market is open for trading during its regular trading sessions, notwithstanding any such Reference Market closing prior to its Scheduled Closing Time.

"Reference Market" means the reference market as specified in **Table 2** in the Annex.

"Disrupted Day" means, in respect of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, any Scheduled Trading Day on which a relevant Reference Market fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Scheduled Closing Time" means, in respect of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument and in respect of a Reference Market and a Scheduled Trading Day, the scheduled weekday closing time of such Reference Market on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"Scheduled Trading Day" means, in respect of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, any day on which the Reference Market is scheduled to open for trading during its regular trading sessions.

"Early Closure of the Reference Market" means, in respect of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, the closure on any Business Day of the Reference Market prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Market at least one hour prior to the actual closing time for the regular trading session on the Reference Market on such Business Day.

§ 12 Adjustments

(1) Changes in the market conditions on the Reference Market

If, in the determination of the Issuer and/or Calculation Agent, a material change in the market conditions has occurred on the Reference Market, the Issuer and/or Calculation Agent shall be entitled to effect adjustments to these Conditions to account for these changed market conditions.

(2) Changes in the calculation of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument

Any changes in the calculation (including corrections) of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument shall not lead to an adjustment unless the Issuer and/or Calculation Agent determine that as a result of the changes (including corrections) the underlying

concept and calculation of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument are no longer comparable to the underlying concept or calculation of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument applicable prior to such change. Adjustments may also be made as a result of the removal of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument and/or its substitution by another underlying or the Delisting of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument. For the purpose of this provision "**Delisting**" means that the relevant Reference Market announces that pursuant to the rules of such Reference Market, the Fixed Rate Instrument or, as the case may be, the Derivative Instrument ceases (or will cease) to be listed, traded or publicly quoted on the Reference Market for any reason and is not immediately re-listed, re-traded or re-quoted on a market or quotation system located in the same country as the Reference Market (or, where the Reference Market is within the European Union, in any Member State of the European Union).

For the purpose of making any adjustments, the Issuer and/or Calculation Agent shall determine an adjusted value of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument which shall be used for the determination of the relevant price of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument for the Products and which in its economic result shall correspond to the provisions prior to this change, and shall determine the day on which the adjusted value of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument shall apply for the first time taking into account the time the change occurred. The adjusted value of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument and the date of its first application shall be published pursuant to § 4 of the General Conditions.

(3) *Termination, early redemption, replacement or adjustment to the terms and conditions of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument*

In the event that the Fixed Rate Instrument or, as the case may be, the Derivative Instrument is terminated and/or redeemed early or replaced by another Fixed Rate Instrument or, as the case may be, the Derivative Instrument, provided that such circumstance does not occur in connection with any insolvency or general settlement proceedings or other similar proceedings of the issuer of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, or in the event of changes to the terms and conditions of the Fixed Rate Instrument or, as the case may be, the Derivative Instrument, the Fixed Rate Instrument or, as the case may be, the Derivative Instrument may be replaced for the purposes of these Conditions by another financial instrument, if necessary after making the appropriate adjustments to the above paragraph (the "**Successor Instrument**"). The Successor Instrument and the date of its first application shall be published in accordance with § 4 of the General Conditions.

In this case any reference in these Conditions to the Fixed Rate Instrument or, as the case may be, the Derivative Instrument shall, to the extent permitted by the context, be deemed to refer to the Successor Instrument.

(4) *Replacement of the Reference Market*

If the quotation of or trading in the Fixed Rate Instrument or, as the case may be, the Derivative Instrument on the Reference Market is permanently discontinued while concurrently a quotation or trading is started up or maintained on another market, the Issuer and/or Calculation Agent shall be entitled to stipulate such other market as relevant Reference Market (the "**Substitute Reference Market**") via publication in accordance with § 4 of the General Conditions, provided that the Issuer has not terminated the Products in accordance with § 13 of the Issue Specific Conditions.

In the case of such a substitution, any reference in these Conditions to the Reference Market thereafter shall be deemed to refer to the Substitute Reference Market.

The adjustment described above shall be published in accordance with § 4 of the General Conditions within the three (3) months-period following the permanent discontinuation of the quotation of or trading in the Fixed Rate Instrument or, as the case may be, the Derivative Instrument on the Reference Market, at the latest.

(5) *Correction of a relevant price*

In the event that a price for the Fixed Rate Instrument or, as the case may be, the Derivative Instrument determined and published by the Reference Market which is relevant for the Products is subsequently corrected and the correction (the "**Corrected Price**") is published by the Reference Market after the original publication, but by the Final Fixing Date (exclusive), the Issuer and/or Calculation Agent shall be entitled to effect adjustments to these Conditions taking into account the Corrected Price, to account for the correction. The adjustment and the date of its first application shall be published in accordance with § 4 of the General Conditions.

[insert in the case of a Basket as Underlying:

(6) *Additional adjustments in the case of a Basket as Underlying*

If in relation to a Basket Component an adjustment (as described in the Conditions) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to the Conditions in relation to each Basket Component) be entitled, but not obliged to either

- (i) remove from the Basket the affected Basket Component without replacement (if applicable by implementing correction factors with respect to the remaining Basket Components) or
- (ii) replace the Basket Component in whole or in part by a new Basket Component (if applicable by implementing correction factors with respect to the Basket Components contained in the Basket) (the "**Successor Basket Component**").

In this case the Successor Basket Component will be deemed to be the Basket Component and any reference in these Conditions to the affected Basket Component, to the extent permitted by the

context, shall be deemed to refer to the Successor Basket Component.]

§ 13

Extraordinary Termination

(1) *Existence of an Additional Termination Event*

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"Additional Termination Event" means [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Increased Cost of Collateralization].

(2) *Redemption in the event of an Extraordinary Termination*

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) *Definitions*

["Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or

borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["**Change in Law**" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) it has become illegal to hold, acquire or dispose of the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

["**Hedging Entity**" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.]

["**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]]

[insert in the case of Products linked to a share in an exchange traded Fund as Underlying or as a Basket Component:

§ 11

Market Disruption

(1) *Consequences of Disrupted Days*

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account

the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:]

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:]

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) Existence of a Market Disruption Event

"Market Disruption Event" means

the occurrence or existence of (1) a Trading Disruption, (2) an Exchange Disruption, which in either case the Issuer and/or Calculation Agent regards as material, at any time during the one-hour period immediately before the relevant Valuation Time, or (3) an Early Exchange Closure. If a Market Disruption Event occurs only two hours prior to the time of the actual closing time for the regular trading session on the relevant Exchange(s) or Related Exchange(s) on the relevant Exchange Trading Day, the Issuer may determine whether a Market Disruption for this basket component is considered material. If the Issuer determines that a Market Disruption for this basket component is not considered material, then the Calculation Agent shall use the previous day's rate for this date.

(3) Definitions

"Valuation Time" means, in respect of the Fund Unit, the time at which the Exchange calculates and publishes the official closing price of the Fund Unit. If the Exchange closes prior to its Scheduled Closing Time and the Valuation Time falls after the actual closing time for the regular trading session, the Valuation Time means the time of the actual close of trading.

"Exchange Trading Day" means, in respect of the basket component, a Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, in respect of the Fund Unit, an Event (other than an Early Exchange Closure) that disrupts or impairs (as determined by the Issuer and/or Calculation Agent) the ability of market participants in general (1) to effect transactions in the Fund Units or obtain market values on the Exchange for the Fund Units or (2) to effect transactions in, or obtain market values for, futures or options contracts on such Fund Unit on a relevant Related Exchange.

"Trading Disruption" means, in respect of the Fund Unit, a suspension of or limitation imposed on trading by the 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 (1) relating to Fund Units on the Exchange or (2) in futures or options contracts on the Fund Units on a relevant Related Exchange or (3) in Fund Units, Fund Certificates, Units or other securities of an Exchange Traded Fund in respect of the Funds Reference Index on the Exchange or a Related Exchange, if in any of these cases the Calculation Agent determines in its absolute sole discretion that such suspension or limitation is material.

"Disrupted Day" means, in respect of the Fund Unit, a Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"Related Exchange(s)" means, in respect of the Fund Unit, those options or futures exchanges on which options or futures contracts are regularly traded on the units of the Fund, as determined by the Calculation Agent, and (in each case) any successor to such exchange or quotation system or any substitute exchange or quotation system where trading is temporarily carried out in futures or options contracts on the Fund Units (to the extent as determined by the Calculation Agent on the temporary substitute exchange or quotation system the liquidity for the futures and options contracts on Fund Units is comparable with the liquidity of the original Related Exchange.)

"Scheduled Closing Time" means, in respect of the Fund Unit, and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on the Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"Scheduled Trading Day" means, in respect of the Fund Unit, a day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions.

"Early Closure" means, in respect of the Fund Unit, the closure on any Exchange Trading Day of one or more Relevant Exchanges or one or more Related Exchange(s) prior to the Scheduled Closing Time, unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Trading Day and (2) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Trading Day.

§ 12 Adjustments

(1) *Conditions precedent for an adjustment*

In the case of a Potential Adjustment Event or an Extraordinary Event, the Issuer or the Calculation Agent shall be entitled to adjust the Conditions considering the following rules. The Issuer or the Calculation Agent is not, however, obliged to effect adjustments.

(2) *Existence and consequences of a Potential Adjustment Event*

(a) A **"Potential Adjustment Event"** occurs in the case of any of the following events, as determined by the Issuer and/or Calculation Agent:

(i) a subdivision, consolidation or reclassification of Fund Units (unless resulting in a Merger Event) or a free distribution or dividend of the Fund Units to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of Fund Units of (1) such Fund Units or (2) other participation rights or securities granting the right to payment of dividends and/or a share in the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Units or (3) participation rights or securities of another unit issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or options or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) a distribution per Fund Unit which the Calculation Agent determines to be characterised as an extraordinary dividend;

(iv) a call by the Fund in respect of Fund Units that are not fully paid;

(v) a repurchase by the Fund or any of its affiliates of Fund Units whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) an event occurs that results in any shareholder rights being distributed or becoming separated from shares of common stock other units of the Fund pursuant to a shareholder rights plan or similar arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any exercise of such rights; or

(vii) any other circumstances that may have, in the opinion of the Issuer and/or Calculation Agent, a diluting or concentrative effect on the theoretical value of the Fund Units.

(b) Consequences of a Potential Adjustment Event

In the case of the declaration of any Potential Adjustment Event by or on behalf of the Fund or in the case of an adjustment to the calculation terms of exchange contracts in respect of Fund Units that are traded on a Related Exchange, the Issuer and/or Calculation Agent will determine in their absolute sole discretion whether the Potential Adjustment Event or such other event has a diluting or concentrative effect on the theoretical value of the Fund Unit and, if so, will:

(i) make the corresponding adjustment(s), if appropriate, to the Conditions as the Issuer and/or Calculation Agent determine appropriate to account for that diluting or concentrative effect; and

(ii) determine the effective date(s) of the adjustment(s). In such case, such adjustments shall be deemed to be so made from such date(s). The Issuer and/or Calculation Agent may (but need not) perform the appropriate adjustment(s) by reference to the adjustment(s) in respect of the Potential Adjustment Event or such other event made by a Related Exchange in respect of exchange contracts on the Fund Units that are traded on such Related Exchange.

Following such an adjustment the Issuer or the Calculation Agent shall inform the holders as soon as possible and include in the notice details of what adjustments have been made to an amount to be paid on the products and/or to other relevant terms and briefly describe the Potential Adjustment Event or such other event. However, failure to provide such notice shall not render invalid the Potential Adjustment Event or another such event or an action undertaken.

(3) *Existence and consequences of an Extraordinary Event*

(a) Existence of an Extraordinary Event

An "**Extraordinary Event**" occurs in the case of an insolvency in respect of the Fund, its Management Company or a depository or another of the Fund's service providers, a Merger Event, a delisting or a Termination of the Trust in respect of the Fund (in each case an "**Extraordinary Event**").

(b) Consequences of an Extraordinary Event

- (i) If the Issuer or the Calculation Agent determines that an insolvency in respect of the Fund, its Management Company or depository or another servicer of the Fund, a Merger Event, a delisting or a Termination of the Trust has occurred (in each of these cases the "**Related Basket Component**"), then the Issuer or the Calculation Agent shall in its discretion either:
 - (x) (I) undertake those adjustments to variables that it considers to be appropriate, as the case may be, regarding the calculation methods, the settlement or payment or other terms in respect of the Products to account for the effects of insolvency, the Merger Event, delisting or Termination of the Trust in respect of the Products and (II) determine the effective date of these adjustments; or
 - (y) if the Issuer or the Calculation Agent determines that no adjustment that it could make pursuant to (x) leads to a commercially reasonable result, then the Calculation Agent selects
 - (1) another Fund that is in the same currency and has the same investment objective as the Relevant Fund (this Fund that replaces the Relevant Fund is termed the "**Substitute Fund**") and
 - (2) the applicable day (the "**Fund Replacement Date**") for the replacement of the Relevant Fund with the Substitute Fund (for the avoidance of doubt, the Issuer or the Calculation Agent may set the Fund Replacement Date as any date, also before the event that led to the replacement, or before the Issue Date) or
 - (z) if the Issuer and/or the Calculation Agent is not able for any reason to determine

a Substitute Fund or the Fund Replacement Date for a Relevant Fund or a Substitute Fund or the Fund Replacement Date for a Relevant Fund, then the Issuer and/or the Calculation Agent has the right, in the case of a basket as underlying, to remove the Relevant Fund from the basket.

- (ii) On an election pursuant to paragraph (i)(y)
 - (x) the Substitute Fund replaces the Relevant Fund on the Fund Replacement Date,
 - (y) references herein to the Fund are considered to take effect from the Fund Replacement Date as references to the Substitute Fund and
 - (z) the Issuer and/or the Calculation Agent in its absolute sole discretion undertakes the appropriate adjustments to variables that it considers to be appropriate, as the case may be, regarding the calculation methods, the valuation, settlement or payment terms in respect of the products to account for the substitution.

(4) Notification of Adjustment

Upon making any adjustment pursuant to these Conditions, the Issuer and/or Calculation Agent shall give notice to the Holders in accordance with § 4 of the General Conditions.

(5) Definitions

"Termination of the Trust" means in respect of the Fund, that the Trust which constitutes the Fund or the company or another vehicle under which the Fund Units are issued by the Fund (in respect of the Fund in each case the **"Trust"**) pursuant to the documents constituting the trust (in respect of the Fund the **"Constitutional Document"**) has been terminated or amended in another way. For the avoidance of doubt and notwithstanding the generality of the foregoing sentence, the following events represent a termination of the trust:

- (a) the rescission of the Constitutional Document by the Management Company or the Trustee (as defined below) or the termination of the calculation and publication of the Fund Reference Index by the Fund Reference Index Sponsor,
- (b) a decision of a competent authority on the rescission or cancellation of the Constitutional Document or the Trust; and/or
- (c) a decision of a competent authority on the (I) rescission or suspension of the applicable licence of the Management Company that is necessary for the administration of the Fund, or (II) unwinding of the Management Company. Throughout the life of the Fund the replacement of the Management Company or the substitution of the Trustee for the beneficial owners of the Fund (the **"Trustees"**) by a Substitute Trustee shall not lead to the Termination of the Trust and any such replacement investment Management Company and any such Substitute Trustee

shall be regarded as the Management Company or Trustee as from the date on which the substitution takes effect.

"Delisting" means, in respect of the Fund Unit, that the Fund Units cease or have ceased to be admitted to trade on the Exchange and that the Fund Units have not been admitted to trade on another Exchange that the Issuer or the Calculation Agent considers to be a suitable substitute Exchange.

"Merger Event" means, in respect of a Fund Unit, any (1) reclassification or other change to the Fund that results in a transfer of or an irrevocable commitment to transfer all such Fund Units outstanding to another entity or person, (2) a consolidation, amalgamation or binding unit exchange of the Fund with or into another entity or person (other than a consolidation, amalgamation or binding unit exchange in which such Fund is the continuing entity and which does not result in a reclassification or change of all such Fund Units outstanding), (3) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Fund Units that results in a transfer of or an irrevocable commitment to transfer all such Fund Units (other than such Fund Units owned or controlled by such other entity or person), or (4) consolidation, amalgamation or binding unit exchange of the Fund or its affiliates with or into another entity in which the Fund is the continuing entity and which does not result in a reclassification or change of all such Fund Units outstanding but results in the outstanding Fund Units (other than Fund Units owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Fund Units immediately following such event in each case if the Merger Date is on or before the Final Fixing Date.

"Merger Date" means in respect of a Merger Event the earlier of the following dates:

- (a) a date selected by the Issuer or the Calculation Agent in its absolute sole discretion, which is the day (or follows the day) on which the Merger Date occurs pursuant to the determination of the Issuer or the Calculation Agent, or
- (b) the date on which, on determination by the Issuer or the Calculation Agent, all holders of the relevant Fund Units have agreed or committed to transfer their Fund Units.

"Insolvency" means, in respect of a relevant person, that such person (1) is wound up (other than pursuant to a consolidation, amalgamation or takeover); (2) becomes insolvent or is unable or fails to pay its debts or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4)(I) institutes or has instituted against it a petition by a regulator, regulatory body or other body with primary responsibility for insolvency, restructuring or supervision in the country in which its head office is registered or established, whereby a judgment is sought for insolvency or bankruptcy or any other relief affecting creditors' rights or a petition is presented for its winding-up or liquidation by itself or such regulator, regulatory body or such similar body or (II) has brought a petition against itself seeking a judgment of insolvency or bankruptcy or any other relief under any

bankruptcy or insolvency law or applicable relief affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and the petition or other application is instituted or made by a person or agent that is not named under (I) and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen calendar days of the institution or presentation thereof; (5) has passed a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, Trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen calendar days thereafter; or (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive) or (9) takes actions that promote any of the foregoing processes or agrees to, consents to or permits the same.

"Merger Date" means the closing date of a Merger Event (as determined by the Issuer and/or Calculation Agent) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer and/or Calculation Agent.

"Management Company" means the management company specified for the Fund in **Table 2** in the Annex.

[insert in the case of a Basket as Underlying:

(6) Additional adjustments in the case of a Basket as Underlying

If in relation to a Basket Component an adjustment (as described in the Conditions) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to the Conditions in relation to each Basket Component) be entitled, but not obliged to either

- (i) remove from the Basket the affected Basket Component without replacement (if applicable by implementing correction factors with respect to the remaining Basket Components) or
- (ii) replace the Basket Component in whole or in part by a new Basket Component (if applicable by implementing correction factors with respect to the Basket Components contained in the Basket) (the **"Successor Basket Component"**).

In this case the Successor Basket Component will be deemed to be the Basket Component and any reference in these Conditions to the affected Basket Component, to the extent permitted by the

context, shall be deemed to refer to the Successor Basket Component.]

§ 13

Extraordinary Termination

(1) *Existence of an Additional Termination Event*

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"Additional Termination Event" means [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Increased Cost of Collateralization].

(2) *Redemption in the event of an Extraordinary Termination*

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) *Definitions*

["Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization" means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or

borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["Change in Law" means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) [it has become illegal to hold, acquire or dispose of the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

["Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.]

["Hedging Disruption" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

[insert in the case of Products linked to an unlisted Fund Unit as Underlying or as a Basket Component:

§ 11

Market Disruption

(1) *Consequences of Disrupted Days*

[insert if "Single Underlying and Postponement of the Underlying Valuation Date" is applicable:

If an Underlying Valuation Date is a Disrupted Day, then the Underlying Valuation Date shall be the next following Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Underlying Valuation Date is a Disrupted Day. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the Underlying on that eighth Scheduled Trading Day in its reasonable discretion, taking into account

the market circumstances prevailing on such day. The Issuer shall publish the determined level of the Underlying in accordance with § 4 of the General Conditions.]

[insert if "Basket and Individual Postponement of the Underlying Valuation Date" is applicable:]

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of the relevant Basket Component shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of the relevant Basket Component, unless each of the eight (8) Scheduled Trading Days in respect of the relevant Basket Component immediately following the Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for the relevant Basket Component, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of the relevant Basket Component on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of the relevant Basket Component in accordance with § 4 of the General Conditions.]

[insert if "Basket and Common Postponement of the Underlying Valuation Date" is applicable:]

If an Underlying Valuation Date is a Disrupted Day in respect of a Basket Component, then the Underlying Valuation Date in respect of all Basket Components shall be the next following Scheduled Trading Day that is not a Disrupted Day in respect of all Basket Components, unless each of the eight (8) Scheduled Trading Days in respect of all Basket Components immediately following the Underlying Valuation Date is a Disrupted Day in respect of all Basket Components. In that case:

(I) that eighth Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date for all Basket Components, notwithstanding the fact that such day is a Disrupted Day; and

(II) the Issuer and/or Calculation Agent shall determine the relevant level of all Basket Components on that eighth Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer shall publish the determined level of all Basket Components in accordance with § 4 of the General Conditions.]

(2) ***Existence of a Market Disruption Event***

"Market Disruption Event" means

- (a) a suspension or a failure of the announcement of the price of the Fund Unit or NAV or
- (b) The occurrence of any other event that, in the opinion of the Issuer and/or Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the Fund Unit.

(3) ***Definitions***

"Fund" means the fund specified in Table 2 of the Annex.

"NAV" means, in respect of the Fund Unit, the net asset value calculated in accordance with the terms of the prospectus or other documents prepared in connection with the marketing of the Fund.

"Disrupted Day" means, in respect of the Fund Unit, a Scheduled Trading Day on which a Market Disruption Event has occurred.

"Scheduled Trading Day" means, in respect of the Fund Unit, any day on which the NAV is scheduled to be calculated and announced in accordance with the terms of the prospectus or other documents prepared in connection with the marketing of the Fund.

§ 12 Adjustments

(1) ***Conditions precedent for an adjustment***

In the case of a Potential Adjustment Event, the Issuer or the Calculation Agent shall be entitled to adjust the Conditions considering the following rules. The Issuer or the Calculation Agent is not, however, obliged to effect adjustments.

(2) ***Existence and consequences of a Potential Adjustment Event***

"Potential Adjustment Event" means any of the following:

- (a) A violation or change of any material terms of the offer documents or other documents prepared in connection with the marketing of the Fund or each of its constitutional documents, which, in the opinion of the Issuer and/or Calculation Agent at its reasonable discretion, is material.
- (b) The main investment objective of the Fund changes.
- (c) The currency denomination in which the NAV of the Fund or of the Fund Unit is published (the

"**Currency Denomination**") is changed and now differs from the Currency Denomination at the Initial Fixing Date.

(d) The NAV, as calculated by or on behalf of the Fund, not being calculated or announced for any Scheduled Trading Day within the time period when the Issuer and/or the Calculation Agent would ordinarily expect such NAV to be available.

(e) Any restriction or limitation or suspension or deferral of trading of, or redemptions of or subscription for Fund Units in the Fund affecting the Hedging Entity's ability to conduct its activities it deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products (including, but not limited to, the introduction or increase of any associated fee, cost or expense, the introduction or use of gates or side pockets, or any restructure, reorganisation or action that has a similar impact to a gate or side pocket), or any mandatory redemption of Fund Units of the Fund.

(f) The regulatory or tax treatment applicable with respect to the Issuer, the Fund, its manager, investment manager or to any of its investment advisors (each a "**Manager**") is changed.

(g) Any review or investigation of the activities of the Fund or its Managers, by a relevant regulator, in connection with suspected or alleged wrongdoing or breach of any rule or regulation, or other similar reason, or any disciplinary action taken by such regulator in consequence thereof.

(h) Any winding-up, liquidation of, or any termination or any loss of regulatory approval, license or registration of, a Manager, or any merger, de-merger, winding-up or liquidation of or affecting the Fund.

(i) Any arrangement between the Issuer and/or the Calculation Agent and the Fund and/or a Manager, including arrangements relating to subscriptions in and redemptions of Fund Units, being changed or terminated.

(j) The occurrence of any event that, in the opinion of the Issuer and/or the Calculation Agent at their reasonable discretion, prevents, hinders or materially impairs the Hedging Entity's ability to conduct its activities it deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products.

(k) The notice period for subscriptions/ redemption in the Fund Unit is modified in a significant manner and/or the subscriptions and/or redemptions in Fund Units are suspended, postponed or reduced (either in whole or in part), and/or the payments of redemption proceeds to be paid in respect of a redemption order are suspended, postponed, reduced (either in whole or in part) or paid by installments, and/or the dividend and/or redemption payments are made (either in whole or in part) in kind rather than in cash (side-pockets) and/or the non-execution or partial execution by the Fund for any reason of a subscription or redemption order on the Fund Units.

(l) Any other circumstances that may have, in the opinion of the Issuer and/or

Calculation Agent, a diluting or concentrative effect on the theoretical value of the Fund Units or on the NAV.

(3) *Consequences of a Potential Adjustment Event*

If a Potential Adjustment Event (paragraph (2)) occurs or is likely to occur, the Issuer and/or the Calculation Agent may, if they determine at their reasonable discretion, that such event is material and adversely affects the Fund Unit or the calculation of the NAV of the Fund Unit,

(a) make any adjustments to any calculation methods, values or terms in respect of the Products that they determine at their reasonable discretion to be necessary to account for such Potential Adjustment Event, and/or

(b) select, by using reasonable efforts for a period of no longer than five (5) Business Days, one or more suitable alternative funds with reasonably similar investment mandates – subject to the following suitability criteria – (each a "**Replacement Fund**") and replace the Fund by such fund(s).

The replacement of the Fund by one or more alternative funds is only possible provided that all of the following suitability criteria are met:

(i) The relevant fund management company/ies and fund manager(s) are willing to allow the fund to be referenced in the Products.

(ii) the Issuer can trade at net asset value or at bid price in the fund with no direct or indirect fee, levy or other charge whatsoever, including subscription or redemption penalties applicable, or potentially applicable, to any such trading or any interest so acquired.

(iii) The fund (or a relevant manager) publishes the fund's net asset value or bid price on a daily basis.

(iv) The Hedging-Entity is able to fully hedge its position with respect to the Replacement Fund as at the date on which Issuer and/or the Calculation Agent selects the Replacement Fund(s).

Any reference in the Conditions to the Fund shall, to the extent appropriate, be deemed to refer to the Replacement Fund.

(4) *Correction of a relevant price*

In the event that a price of the Fund Unit as determined and published on behalf the Fund which is relevant for the Products is subsequently corrected and the correction (the "**Corrected Price**") is published on behalf the Fund after the original publication, but by the Final Fixing Date (exclusive), the Issuer and/or the Calculation Agent shall be entitled to effect adjustments to these Conditions taking into account the Corrected Price, to account for the correction. The adjustment and the date of its first application shall be published in accordance with § 4 of the General Conditions.

(5) Notification of Adjustment

Upon making any adjustment pursuant to these Conditions, the Issuer and/or Calculation Agent shall give notice to the Holders in accordance with § 4 of the General Conditions, stating the relevant adjustment.

[insert in the case of a Basket as Underlying:

(6) Additional adjustments in the case of a Basket as Underlying

If in relation to a Basket Component an adjustment (as described in the Conditions) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to the Conditions in relation to each Basket Component) be entitled, but not obliged to either

- (i) remove from the Basket the affected Basket Component without replacement (if applicable by implementing correction factors with respect to the remaining Basket Components) or
- (ii) replace the Basket Component in whole or in part by a new Basket Component (if applicable by implementing correction factors with respect to the Basket Components contained in the Basket) (the "**Successor Basket Component**").

In this case the Successor Basket Component will be deemed to be the Basket Component and any reference in these Conditions to the affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.]

§ 13

Extraordinary Termination

(1) Existence of an Additional Termination Event

If, in the opinion of the Issuer and/or Calculation Agent, an adjustment pursuant to § 12 of the Issue Specific Conditions is not possible or not commercially reasonable, or upon occurrence of an Additional Termination Event the Issuer may by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with the procedure set out in § 4 of the General Conditions, redeem the Products early. The termination shall become valid on the day of the notice in accordance with § 4 of the General Conditions.

"**Additional Termination Event**" means [an Increased Cost of Hedging][,] [and] [a Change in Law][,] [and] [a Hedging Disruption][,] [and] [an Increased Cost of Collateralization].

(2) Redemption in the event of an Extraordinary Termination

In the event of an extraordinary termination of the Products, the Issuer will cause to be paid to

each Holder in respect of each such Product held by it an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of a Product immediately prior to the event justifying the extraordinary termination. Payment will be made to the relevant Clearing System(s) pursuant to § 8 of the Issue Specific Conditions.

(3) **Definitions**

["Increased Cost of Hedging"] means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing the Issuer's obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).]

["Increased Cost of Collateralization"] means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute, maintain any transaction(s) or asset(s) the Borrowing Entity deems necessary to borrow in order to collateralize the Products. For the purpose of this provision **"Borrowing Entity"** means the Issuer or Collateral Provider or any affiliate(s) of the Issuer or Collateral Provider or any entity (or entities) acting on behalf of the Issuer or Collateral Provider engaged in any underlying or borrowing transactions in respect of the Issuer's obligations arising from the Products.]

["Change in Law"] means that on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or Calculation Agent determine in good faith that (X) [it has become illegal to hold, acquire or dispose of the Underlying(s) and/or one or more Basket Components, or (Y) the Hedging Entity will incur a materially increased cost in performing its obligations arising from the Products (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).]

["Hedging Entity"] means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.]

["Hedging Disruption"] means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Products, or (B) realise, recover or remit the proceeds

of any such transaction(s) or asset(s).]]

2. General Conditions**a) General Conditions for Products governed by German law****§ 1****Presentation Period, Prescription**

The period for presentation of the Products (pursuant to § 801 (1) sentence 1 of the German Civil Code) shall be reduced to ten years from the date on which the relevant obligation of the Issuer arising from the Products first becomes due, and the period of limitation for claims arising from the Products presented during the period for presentation shall be two years calculated from the expiration of the presentation period.

§ 2**Substitution of the Issuer*****(1) Conditions precedent for substitution of the Issuer***

The Issuer may at any time, without the consent of the Holders, substitute for the Issuer another company as Issuer (the "**New Issuer**") in respect of all obligations arising from or in connection with the Products, provided that

- (a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Products;
- (b) the New Issuer has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder resulting from the substitution of the Issuer by the New Issuer;
- (c) the Issuer unconditionally and irrevocably guarantees all obligations of the New Issuer arising from the Products to the benefit of the Holders and the text of this guarantee has been published in accordance with § 4 of the General Conditions; and
- (d) all actions, conditions and steps which have to be initiated, fulfilled and performed (including obtaining any necessary consent) to ensure that the Products represent lawful, effective and binding obligations of the New Issuer have been initiated, fulfilled and performed and are, without limitation, legally valid and effective.

(2) Consequences of substitution

In the event of such substitution of the Issuer, any reference to the Issuer in the Conditions shall then be deemed to be a reference to the New Issuer.

(3) *Notification of substitution*

The substitution of the Issuer according to paragraph (1) shall be announced in accordance with § 4 of the General Conditions. Upon fulfilment of the above conditions, the New Issuer shall in all respects substitute the Issuer and the Issuer shall be released from all obligations associated with the function of Issuer towards the Holders arising from or in connection with the Products.

§ 3

Further Issues; Repurchase

(1) *Further Issues*

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

(2) *Repurchase*

The Issuer and any of their subsidiaries or affiliates may at any time purchase Products in the open market or otherwise at any price. All Products purchased by or on behalf of the Issuer or any of its subsidiaries or affiliates may either be held or resold or cancelled. The obligations of the Issuer in respect of any Products so cancelled shall be discharged.

§ 4

Notices

(1) *Notices*

Notices concerning the Products shall be published on the "**Website**" set out in § 3 of the applicable Issue Specific Conditions (or on another website which shall be announced by the Issuer at least six weeks in advance in accordance with these provisions). To the extent that required by law, or exchange regulations or if the Issuer otherwise considers it practical and helpful to Holders, notices will be made in addition in a newspaper of general circulation in the Offer States. Each of such notifications shall be deemed to be validly effected on the date of the first publication, provided that the notice does not specify a later date of effectiveness.

(2) *Notifications to the Clearing System*

In addition to such publication pursuant to paragraph (1) the Issuer is entitled to transmit a notification to the Clearing System to be forwarded to the Holders. Even if a notification to the

Clearing System takes place, the first publication pursuant to paragraph (1) shall remain relevant for the time when the notification becomes effective.

(3) *Notices in accordance with the rules and regulations of the SIX Swiss Exchange AG*

If the Products are listed on the SIX Swiss Exchange AG, the Issuer shall, in addition to the publication pursuant to paragraph (1) and the notification pursuant to paragraph (2), publish notices in accordance with the applicable Swiss laws and rules and regulations of the SIX Swiss Exchange AG.

§ 5

Agents

(1) *Fiscal Agent; Paying Agent(s); Calculation Agent(s)*

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent(s) will be specified in § 3 of the Issue Specific Conditions.

(2) *Status*

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent(s) or the Calculation Agent(s) and to appoint additional or other Paying Agents. The Fiscal Agent, the Paying Agent(s) and the Calculation Agent(s) shall be exempt from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).

References in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions.

(3) *Replacement of the Calculation Agent; Notification*

If the Calculation Agent is unable or unwilling to act as such or if a Calculation Agent fails duly to calculate any Redemption Amount or other amounts or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. A Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Notice of any change of agents or any change of any specified office shall be given to the Holder in accordance with § 4 of the General Conditions.

§ 6**Correction of the Conditions; Termination in case of errors*****(1) Correction of manifest typing or calculation errors***

The Issuer may without the consent of the Holders correct any evident typing or calculation errors in these Issue Specific relating to the determination of the Redemption Amount or the Coupon Amount, as the case may be. The Issuer may assess evidence and comprehension of an experienced investor being relevant for the correction through consulting an official expert. Corrections of these Terms and Conditions shall be published in accordance with § 4 of the General Conditions.

(2) Amendment of contradictory provisions, supplement of incomplete provisions

The Issuer may amend any contradictory provisions contained in these Terms and Conditions without the consent of the Holders. The amendment may only serve to eliminate the contradiction and may not result in any other changes to the Terms and Conditions. The Issuer may furthermore supplement any incomplete provisions in these Terms and Conditions without the consent of the Holders. The supplement may only serve to complete the omission and may not result in any other changes to the Terms and Conditions. Any amendments or supplements to these Terms and Conditions shall be published in accordance with § 4 of the General Conditions.

(3) Termination option of the Holder in case of correction or amendment and/or supplement

In the event of a correction according to paragraph (1) or an amendment or supplement according to paragraph (2), the Holder may terminate the Products within six weeks of publication of the correction, amendment or supplement with immediate effect by written notice of termination to the Paying Agent (via the credit institution with which the Holder maintains the relevant securities account) if the correction, amendment or supplement changes the contents or scope of the Issuer's duties to perform in a manner which is not foreseeable for and disadvantageous to the Holder. The Issuer shall point out the possible right of termination to the Holders, including the termination modalities and the Holder's option regarding the termination amount, in the publication in accordance with paragraph (1) or paragraph (2), as applicable. The date of termination within the meaning of this paragraph (3) (the "**Correction Termination Date**") is the date on which the notice of termination is received by the Paying Agent. Effectively exercising a termination by the Holder requires the receipt of a notice of termination signed in legally valid form. Such notice shall contain as follows: (i) name of the Holder, (ii) name and number of the Products being terminated, and (iii) a specified appropriate bank account to which the termination amount shall be transferred.

(4) Termination right in the event of no correction or amendment and/or supplement

In the event that a correction according to paragraph (1) or an amendment or supplement according to paragraph (2) does not come in to consideration, the Issuer as well as each Holder of the Products may terminate the Products provided that the requirements of challenge pursuant to §§ 119 of the German

Civil Code are met in relation to the relevant Holders of the Products or, as the case may be, the Issuer. The Issuer may terminate the Products in whole but not in part by publication in accordance with § 4 of the General Conditions; the termination must point out the Holder's option with regard to the termination amount. The Holder may terminate the Products by giving notice of termination to the Paying Agent (via the credit institution with which the Holder maintains the relevant securities account); as regards the content of such notice, paragraph (3) sentence 4 shall apply accordingly. The termination by a Holder does not affect any other Holder. The date of termination within the meaning of this paragraph (4) (the "**Mistake Termination Date**") is, in case of termination by the Issuer, the date on which the publication was made. In case of termination by a Holder, the Mistake Termination Date is the date on which the Paying Agent receives the notice of termination. The termination shall be effected without delay once the party being authorised to terminate has gained knowledge of the reason for termination.

(5) Termination amount

In the event of an effective termination according to paragraph (3) or paragraph (4), the Issuer shall pay a termination amount to the Holders. The termination amount shall be equivalent to either (i) the Market Price of a Product as defined below last determined by the Calculation Agent or (ii) upon request by the Holder the purchase price paid by the Holder at the time of purchase of the Product, provided it submits evidence of this purchase price to the Paying Agent. The market price (the "**Market Price**") of the Products corresponds to a sum determined by the Calculation Agent – as the case may be after consulting an independent official expert determined by the Issuer – in its reasonable discretion taking into account the market conditions prevailing on the Business Day immediately preceding the Termination Date. The Issuer shall cause the payment of termination amount within five (5) Business Days of the Termination Date. If the Holder requires the purchase price paid to be redeemed after the Termination Date, the difference by which the purchase price exceeds the Market Price will be subsequently transferred. Upon payment of the termination amount all rights in the terminated Products will expire. This is without prejudice to the Holder's rights to compensation for possible damages suffered due to reliance on the validity of a declaration in accordance with § 122 (1) of the German Civil Code, insofar as such claims are not excluded due to knowledge of the reasons for termination on the part of the Holder or its lack of knowledge as a result of negligence in accordance with § 122 (2) of the German Civil Code.

§ 7

**Governing Law, Place of Performance, Jurisdiction,
Invalid Conditions**

(1) Governing law

The Products are governed by, and shall be construed in accordance with, **German law**.

(2) *Place of Performance*

Place of performance is Frankfurt am Main.

(3) *Jurisdiction*

The Regional Court (*Landgericht*) of Frankfurt am Main is to have jurisdiction to settle any disputes that may arise from or in connection with any Products and accordingly any legal action or proceedings arising from or in connection with any Products ("**Proceedings**") may be brought in such court. The Issuer irrevocably submits to the jurisdiction of the Regional Court (*Landgericht*) of Frankfurt am Main and waives any objection to Proceedings in such court on the grounds of venue or on the grounds that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Holders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

b) General Conditions for Products governed by Swiss law

§ 1

Prescription

In accordance with Swiss law, claims of any kind against the Issuer arising under the Products will be prescribed ten years after the date on which the respective payment or delivery has become due, except for claims for interests payments which will be prescribed five years after such payments have become due.

§ 2

Substitution of the Issuer

(1) Conditions precedent for substitution of the Issuer

The Issuer may at any time, without the consent of the Holders, substitute for the Issuer another company as Issuer (the "**New Issuer**") in respect of all obligations arising from or in connection with the Products, provided that

- (a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Products;
- (b) the New Issuer has agreed to indemnify and hold harmless each Holder against any tax, duty, assessment or governmental charge imposed on such Holder resulting from the substitution of the Issuer by the New Issuer;
- (c) the Issuer unconditionally and irrevocably guarantees all obligations of the New Issuer arising from the Products to the benefit of the Holders and the text of this guarantee has been published in accordance with § 4 of the General Conditions; and
- (d) all actions, conditions and steps which have to be initiated, fulfilled and performed (including obtaining any necessary consent) to ensure that the Products represent lawful, effective and binding obligations of the New Issuer have been initiated, fulfilled and performed and are, without limitation, legally valid and effective.

(2) Consequences of substitution

In the event of such substitution of the Issuer, any reference to the Issuer in the Conditions shall then be deemed to be a reference to the New Issuer.

(3) Notification of substitution

The substitution of the Issuer according to paragraph (1) shall be announced in accordance with § 4 of the General Conditions. Upon fulfilment of the above conditions, the New Issuer shall in all respects substitute the Issuer and the Issuer shall be released from all obligations associated with the function of Issuer towards the Holders arising from or in connection with the Products.

§ 3

Further Issues; Repurchase

(1) Further Issues

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

(2) Repurchase

The Issuer and any of its subsidiaries or affiliates may at any time purchase Products in the open market or otherwise at any price. All Products purchased by or on behalf of the Issuer or any of its subsidiaries or affiliates may either be held or resold or cancelled. The obligations of the Issuer in respect of any Products so cancelled shall be discharged.

§ 4

Notices

(1) Notices

Notices concerning the Products shall be published on the "**Website**" set out in § 3 of the applicable Issue Specific Conditions (or on another website which shall be announced by the Issuer at least six weeks in advance in accordance with these provisions). To the extent that required by law, or exchange regulations or if the Issuer otherwise considers it practical and helpful to Holders, notices will be made in addition in a newspaper of general circulation in the Offer States. Each of such notifications shall be deemed to be validly effected on the date of the first publication, provided that the notice does not specify a later date of effectiveness.

(2) Notifications to the Clearing System

In addition to such publication pursuant to paragraph (1) the Issuer is entitled to transmit a notification to the Clearing System to be forwarded to the Holders. Even if a notification to the Clearing System takes place, the first publication pursuant to paragraph (1) shall remain relevant for the time when the notification becomes effective.

(3) Notices in accordance with the rules and regulations of the SIX Swiss Exchange AG

If the Products are listed on the SIX Swiss Exchange AG, the Issuer shall, in addition to the publication pursuant to paragraph (1) and the notification pursuant to paragraph (2), publish notices

in accordance with the applicable Swiss laws and rules and regulations of the SIX Swiss Exchange AG.

§ 5

Agents

(1) *Fiscal Agent; Paying Agent(s); Calculation Agent(s)*

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent(s) will be specified in § 3 of the Issue Specific Conditions.

(2) *Status*

The Fiscal Agent, the Paying Agent(s) and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent(s) or the Calculation Agent(s) and to appoint additional or other Paying Agents. The Fiscal Agent, the Paying Agent(s) and the Calculation Agent(s) shall be exempt from the restrictions of self-dealing.

References in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions.

(3) *Replacement of the Calculation Agent; Notification*

If a Calculation Agent is unable or unwilling to act as such or if a Calculation Agent fails duly to calculate any Redemption Amount or other amounts or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. A Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Notice of any change of agents or any change of any specified office shall be given to the Holder in accordance with § 4 of the General Conditions.

§ 6

Correction of the Conditions

The Issuer shall be entitled to amend without the consent of the Holders any term or condition for the purpose of a) correcting a manifest error or b) clarifying any uncertainty, or correcting or supplementing the terms and conditions in such manner as the Issuer deems necessary or desirable, provided that the Holder does not incur significant financial loss as a consequence thereof.

However, the Issuer shall at all times be entitled to amend any Conditions where, and to the extent, the amendment is necessitated as a consequence of legislation, decisions by courts of law, or decisions taken by governmental authorities.

Amendments to the Conditions will be notified in accordance with § 4 of the General Conditions.

§ 7

**Governing Law, Jurisdiction,
Invalid Conditions**

(1) *Applicable law*

Products are governed by and to be interpreted in accordance with **Swiss law**.

(2) *Jurisdiction*

In relation to any proceedings in respect of the Products, the Issuer irrevocably submits to the jurisdiction of the Commercial Court of the Canton of Zurich (*Handelsgericht des Kantons Zürich*), place of jurisdiction being Zurich with the right of appeal to the Swiss Federal Supreme Court in Lausanne where the law permits, and waive any objection to proceedings in such courts whether on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum (*Forum non conveniens*). This submission is made for the benefit of each of the Holders and shall not limit the right of any of them to take proceedings in any court of competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

(3) *Invalid Conditions*

Should any provision of these Conditions be or become invalid in whole or in part, the other provisions shall remain in force. The invalid provision shall be replaced by a valid provision that achieves the economic purpose of the invalid provision to the extent permitted by law.

**ANNEX TO THE TERMS AND CONDITIONS FRAMEWORK AGREEMENT FOR
COLLATERAL SECURED INSTRUMENTS**

The Framework Agreement for Collateral Secured Instruments is provided in the Annex to the Securities Note, as supplemented.

IV. TAXATION

1. General

The following is a general discussion of certain tax consequences of the acquisition and ownership of Products. This description does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Products and does not take into account the individual position of the investor. The information contained in the following section shall not be considered as legal or tax advice nor shall it be regarded as such.

Purchasers of Products may be required to pay stamp taxes and other taxes and/or charges in connection with the Products. Prospective purchasers of Products should be aware that transactions involving the Products, any purchase or disposal of or other dealings in a Product, the abandonment of a Product, and any transaction involved in the exercise and settlement or, as the case may be, redemption of a Product, may have tax consequences in any jurisdiction (including, but not limited to, possible liabilities to stamp duties, transfer and registration taxes). Such tax consequences may depend, amongst other things, upon the status of the potential purchaser of a Product. Purchasers of Products should consult their own tax advisors about the tax implications of purchasing and holding a Product, any transaction involving a Product, and any transaction involved in the exercise and settlement or, as the case may be, redemption of a Product.

This section contains general information on regulations of tax law that were in force at the date of the Tripartite Base Prospectus.

The Issuer assumes no responsibility for the withholding of tax at source, except for Products subject to Swiss withholding tax where the Issuer will arrange for withholding of taxes at the source.

2. German Taxation

The following explanations take into account only the taxation of private individuals whose domicile or customary residence is in Germany, and who hold the Products as private assets.

Interest payments and capital returns from the sale or repayment of the Products are subject to a German withholding tax, if the Products are kept or managed in an investment portfolio in a domestic credit or financial services institution (including a domestic branch office of a foreign credit or financial services institution) or in a domestic trading company or domestic trading bank, or if the sale is carried out through these institutions and the payment of interest or capital returns is paid out or credited by the respective institution (**paying office**).

In principle, the basis for calculation is the interest amount or the difference between the income from the sale or repayment after deduction of expenses that are directly related to the sale transaction or the repayment, and the acquisition costs. In the case of physical delivery instead of a cash settlement, the income from the sale is, in principle, the current value of the delivered securities.

In the case of transactions that are not conducted in euros, the income must be converted into euros at the time of sale and the cost of purchase into euros at the time of purchase.

Certain Products provide for a physical delivery instead of a cash settlement according to the relevant Conditions of such Products. In this case, the acquisition costs of the initial Products would be deemed to be the acquisition costs of the initial securities so that under certain circumstances the conversion would be treated as tax neutral. However, capital gains realized upon an on-sale of the received securities would be taxable.

The withholding tax rate is 26.375% (including the solidarity surcharge, plus church tax if applicable).

In principle, the income tax is covered with respect to these revenues with the deduction of the withholding tax (so called final withholding tax). The actual expenses in connection with the capital gains are not deductible for tax purposes. If no church tax is withheld by the paying office upon formal application of the holder of the Products, the holder remains obliged to file a tax return.

If the capital returns are not paid out by a paying office and if, therefore, no withholding tax is due, the income is subject to a tax rate of 26.375% (including the solidarity surcharge, plus church tax if applicable).

A general assessment at the individual personal tax rate is possible if the personal marginal tax rate of the taxpayer does not exceed 25%. (*Günstigerprüfung*). However, also within this assessment procedure, no deduction of income-related expenses is possible.

In determining the overall revenues from the taxpayer's investment income, a lump-sum saver's deduction in the amount of EUR 801 (EUR 1,602 for joint assessments) is deducted.

3. United Kingdom Taxation

The following comments are of a general nature, relating only to the position of persons who are absolute beneficial owners of the Products and is based on United Kingdom law and what is understood to be the current practice of Her Majesty's Revenue & Customs ("HMRC"), in each case at the date of this Tripartite Base Prospectus, which may change at any time, possibly with retrospective effect. The following is a general overview only of the United Kingdom withholding taxation treatment at the date hereof in relation to income payments in respect of the Products. The comments are not exhaustive, and do not deal with other United Kingdom tax aspects of acquiring, holding, disposing of or abandoning the Products.

Interest payments

Interest will only be subject to a deduction on account of United Kingdom income tax if it has a United Kingdom source in which case it may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Some of the case law is conflicting but HMRC take the view that in determining the source of interest all relevant factors must be taken into account. HMRC has indicated that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment and has stated that the place where the Issuer does business and the place where its assets are located are relevant factors in this regard; however, HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place of performance of the contract, the method of payment, the proper law of contract, the competent jurisdiction for any legal action and the location of any security for the debt, although other factors may also be relevant.

Where interest has a United Kingdom source, any payment of interest may nonetheless be made without withholding or deduction for or on account of United Kingdom income tax where any of the following conditions are satisfied:

- (i) if the Products are and continue to be "quoted Eurobonds" as defined in section 987 of the Income Tax Act 2007. The Products will constitute "quoted Eurobonds" if they carry a right to interest and are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. Products admitted to trading on a recognised stock exchange outside the United Kingdom will be treated as "listed" on a recognised stock exchange if (and only if) they are admitted to trading on that exchange and they are officially listed in accordance with provisions corresponding to those generally applicable in European Economic Area states in a country outside the United Kingdom in which there is a recognised stock exchange; or
- (ii) if the relevant interest is paid on Products with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Products part of a borrowing with a total term of a year or more.

The references to "interest" above mean "interest" as understood in United Kingdom tax law and in particular any premium element of the redemption amount of any Products redeemable at a premium may constitute a payment of interest subject to the withholding tax provisions discussed above. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Products or any related documentation.

4. French Taxation

The following is a general description of the French withholding tax treatment of interest from the Products. It does not purport to be a complete analysis of all tax considerations relating to the Products, whether in France or elsewhere. In particular, it does not describe the French tax treatment applicable to Holders who are tax residents of France, except in relation to French withholding tax on interest and does not discuss the French registration duties or the newly introduced French tax on financial transactions nor proposed extension of its scope. Prospective purchasers of the Products should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the

Products and receiving payments of interest, principal and/or other amounts under the Products and the consequences of such actions under the tax laws of France. This overview is based upon the law as in effect on the date of this Tripartite Base Prospectus, which may change at any time, possibly with retrospective effect.

Payments of interest (and principal) by the Issuer under the Products may in principle be made without any compulsory withholding or deduction for or on account of French taxes to the extent that the relevant Issuers are not incorporated in France or are otherwise acting through a French establishment. However, when the debtors and the paying agent are established in the European Union or in an EEA Member State which has signed with France an appropriate tax treaty, French resident individuals may, in certain circumstances and subject to the completion of certain filing obligations, elect for the interest they receive to be subject to an optional fixed withholding tax (in lieu of standard income tax). If the paying agent is established in France, this election must be notified by the French resident individual to the French paying agent at the latest by the date on which the interest is paid and the paying agent is responsible for making the withholding. If the paying agent is acting from an EU Member State or an EEA Member State which has signed with France an appropriate tax treaty, other than France, the paying agent does not in principle have any French tax withholding obligation (except where it is specially appointed by the beneficiary of the income to do so). French resident individuals holding Products who would consider this option should consult with their own tax adviser.

The EU Savings Directive has been implemented in French law under article 242 *ter* of the French Code Général des Impôts. These provisions impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State (or certain territories), including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest (within the meaning of the EU Savings Directive) paid to that beneficial owner.

5. Swiss Taxation

The following is a general and non-binding summary of certain tax consequences according to the tax laws and the tax authorities' practice as of the date of this document. This outline is a summary and not exhaustive and does not take into consideration possible special circumstances of some investors and should not be considered as tax advice. The tax treatment of each investor depends on the particular situation. Tax laws and the tax authorities' practice may undergo changes (or their interpretation or application may change) and their validity might also be retroactive.

Investors and Prospective Investors are advised to consult with their tax advisers with respect to the tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their particular circumstances.

5.1 Stamp Taxes

Neither the issue of Products nor the trade of Products which classify as pure derivatives for tax purposes are normally subject to Issue Stamp Tax and Swiss Securities Transfer Tax even if an Issuer resident in

Switzerland issues the Products. Exemptions to these rules apply to Products which, due to specific features, are considered debt financing instruments (bonds, or money market securities), share-like or fund-like products, as well as Low Exercise Price Options (LEPO) on shares (with a maturity exceeding one year) for purposes of Swiss tax law. If upon the exercise or redemption of a Product an underlying security is delivered to the Investors, the transfer of the underlying security may be subject to Swiss Securities Transfer Tax (i) of 0.15% Issue Stamp Tax in the case of an underlying security which has been issued by a Swiss resident issuer or (ii) of 0.3% Issue Stamp Tax in the case of an underlying security which has been issued by an issuer resident abroad, provided in both cases that a Swiss securities dealer (*Effekthändler*), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp Duties (*Bundesgesetz über die Stempelabgaben*), is a party to the Products transaction or acts as an intermediary thereto. Certain exemptions may, *inter alia*, apply with regard to certain institutional investors such as mutual funds, life insurance companies and social security institutions.

5.2 Swiss Withholding Tax

Products issued by an issuer resident outside Switzerland are not subject to Swiss withholding tax.

According to a confirmation obtained from the Swiss federal tax administration, subject to certain conditions being met, the payments made from Products issued by Leonteq Securities AG, Guernsey branch, will not be subject to the Swiss withholding tax.

For Products subject to Swiss withholding tax the Issuer will arrange for withholding of taxes at the source.

The Investor who is resident in Switzerland may be entitled to a full refund of or a full tax credit for the Swiss federal withholding tax, subject to conditions being met.

A non Swiss resident Investor may be able to claim a full or partial refund of the Swiss federal withholding tax if such a Investor is entitled to claim the benefits with regard to such a payment of a double taxation treaty between Switzerland and his or her country of residence.

5.3 Income Taxation of Products Held by Individuals as Part of Private Property

Payments or credits received by a holder of a Product, which are considered, from a Swiss taxation perspective, as investment income (dividends or interests or other income), are subject to income tax. Gains or losses realized upon a sale or other disposition by Swiss resident individuals holding a Product as part of their private property and which qualify as private capital gains or losses for Swiss tax purposes are as a rule not subject to income taxation or are not deductible from taxable income respectively. Capital gains may, however, be subject to income taxation, if a Product or a distinguishable part thereof qualifies as a bond where the predominant part of the annual yield is paid in a one time payment (*überwiegende Einmalverzinsung*) or the Product is considered as not transparent for Swiss tax purposes. Losses arising from predominant one time interest paying bonds may be deducted from gains from similar instruments in the same tax period. Furthermore, for low exercise price options with a maturity exceeding one year the interest component is subject to income tax.

Profits and option premiums from derivatives (financial futures, options) are not subject to the income tax as private capital profits provided that the investor keeps the products as private assets. Possible losses are not tax-deductible.

Income derived from a Product which is neither a private capital gain nor a repayment of paid in capital, deposits, premiums and grants (or face value in case of shares) is generally subject to income tax. This applies, inter alia, to any issuance discount, repayment premium, other guaranteed payments (besides repayment of capital) or any combination thereof. Payments or credits received by an Investor because of dividends, interest etc. of the Underlying may be subject to income tax for such Investor. This may apply likewise to payments or credits derived from underlying funds.

5.4 Income Taxation of Warrants and Structured Products Held by Swiss Resident Entities or Individuals as Part of Business Property

Income of any kind realized from incurred for business reasons on Products as part of the business property of individuals (including deemed securities dealers due to frequent dealing, debt financing and similar criteria [*Wertschriftenhändler*]) or entities resident in Switzerland are subject to personal income tax or corporate income tax respectively as a part of the overall net income. In general respective losses are deductible regarding personal or corporate income tax.

5.5 Wealth Taxation of Products Held by Swiss Resident Individuals

Market value of Products may be subject to wealth tax levied on overall net wealth of Swiss resident individuals, regardless of whether the instruments are held as part of the private or business property.

5.6 Savings Directive

On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopts measures equivalent to those of the European Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments. The agreement came into force as of 1 July 2005.

On the basis of this agreement, Switzerland introduced a withholding tax on interest payments and other similar income paid by a paying agent (as defined in Article 6 of the Agreement of 26 October 2004) within Switzerland to an individual resident in an EU member state. The withholding tax is withheld at a rate of 35%. The paying agent and Switzerland provide to the tax authorities of the Member State details of the payments in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding, if any, provided that certain conditions are met.

5.7 Final Withholding Tax

Since the start of 2011, Switzerland had been negotiating an extension of cross-boarder cooperation in tax matters with various countries. A withholding tax agreement was signed with the United Kingdom in the autumn of 2011. The agreement was supplemented at the start of 2012. Switzerland signed a further agreement with Austria in April 2012. The Federal Council adopted the Swiss Federal Act on

International Withholding Tax (IWTa) for the enforcement of these tax agreements in April 2012. The Federal Act on International Withholding Tax (IWTa) introduces inter alia a final withholding tax on investment income and capital gains levied by Swiss Paying Agents. The tax agreements with the United Kingdom and Austria entered into force on 1 January 2013. The withholding of taxes according to the above-mentioned agreements is carried out by Swiss deposit banks.

V. SELLING RESTRICTIONS

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Products which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Products to the public in that Relevant Member State:

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

provided that no such offer of Products referred to in (b) to (d) above shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

United States

The Products have not been and will not be registered under the U.S. Securities Act of 1933, as amended (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 accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act. Neither the United States Securities and Exchange Commission nor any other securities regulator within the United States has approved this base prospectus or has confirmed its correctness. This base prospectus and any final terms are not intended to be used within the United States and may not be delivered within the United States. The Products may not at any time be offered, sold, traded or delivered within the United States, directly or indirectly or to U.S. persons. Until 40 days after the later of the date of issue of the relevant Products and the completion of the distribution of such Products an offer or sale of such Products within the United States may violate the registration requirements of the Securities Act.

United Kingdom

The Lead Manager has represented and agreed that:

- (a) in relation to any Products which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Products other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Products would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Products in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Products in, from or otherwise involving the United Kingdom.

Guernsey

Neither this document nor any Products offered pursuant to this document may be offered to members of the public in Guernsey. Circulation of this document and any termsheet relating to any Product within Guernsey is restricted to persons or entities that are themselves licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law,

2002 or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000.

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Issuer or for the correctness of any of the statements made or opinions expressed with regard to it.

Italy

The offering of the Products has not been registered pursuant to Italian securities, legislation and, accordingly, the Lead Manager represents and agrees that it has not offered or sold, and will not offer or sell, any Products in the Republic of Italy in a solicitation to the public, and that sales of the Products by the Lead Manager in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

The Lead Manager represents and agrees that it will not offer, sell or delivery any Products or distribute copies of the Base Prospectus or any other document relating to the Products in the Republic of Italy except:

- (a) to "**Qualified Investors**" (*investitori qualificati*), as defined under Article 34-ter, paragraph 1, letter b), of CONSOB (*Commissione Nazionale per la Società e la Borsa*) Regulation No. 11971 of 14 May 1999, as amended ("**Regulation 11971/1999**"); or
- (b) in circumstances which are exempted from the rules on offers of securities to be made to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998 ("**Financial Services Act**") and Article 34-ter, first paragraph, of Regulation 11971/1999.

Any such offer, sale or delivery of the Products or distribution of copies of this Base Prospectus or any other document relating to the Products in the Republic of Italy must be:

- (i) made by investment firms, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 Legislative Decree No. 385 of 1 September 1993, as amended; and
- (ii) in compliance with any other applicable laws and regulations.

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption under (b) above applies, the subsequent distribution of the Products on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Services Act and the Regulation 11971/1999. Failure to comply with such rules may result, inter alia, in the sale of such Products being declared null and void and in the liability of the intermediary transferring the Products for any damages suffered by the investors.

Hong Kong

The Products issued under this Base Prospectus are not offered and sold in Hong Kong, and the Lead Manager represents and agrees that it will not offer and sell such Products in Hong Kong, by means of any document, to any person other than to “professional investors” within the meaning of the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance, or in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance. The Lead Manager represents and agrees that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Products under this Base Prospectus which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Products under this Base Prospectus which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This Base Prospectus has not been registered as a prospectus with the *Monetary Authority of Singapore*. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Prospectus issued under this Base Prospectus may not be circulated or distributed, nor may Products under this Base Prospectus be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the *Securities and Futures Act (Cap. 289) of Singapore* ("SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Products under this Base Prospectus are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the securities under Section 275 of the SFA except:

- (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units

V. SELLING RESTRICTIONS

of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

VI. FORM OF FINAL TERMS

[insert in the case of an increase of issue: [Specification of the Products: ●] (the "[First][●] Increase"), that shall be consolidated with the outstanding [specification of the Products: ●] ([insert identification number(s): ●]) issued on [Date of the Original Issue: ●][if applicable further issue: ●] under the Tripartite Base Prospectus dated 5 July 2013 are consolidated and shall form a single issue therewith.]

Final Terms dated [●]

(Tranche [●])

[in the case of a replacement of the Final Terms: (which replace the Final Terms dated ●)]

to the Tripartite Base Prospectus dated 5 July 2013

Leonteq Securities AG, Zurich, Switzerland
[acting through its Guernsey Branch: Leonteq Securities AG, Guernsey Branch]
(the "Issuer")

[Insert specification: ●]
 linked to
[Underlying(s) or basket of Underlyings: ●]
(the "Products")

Leonteq Securities AG, Zurich, Switzerland
(the "Lead Manager")

These Final Terms relate to the Tripartite Base Prospectus dated 5 July 2013 [as supplemented by the Supplement[s] dated ● and further][as] supplemented from time to time]

[COSI[®] Collateral Secured Instruments – Investor Protection engineered by SIX]

During the entire term of the Product, the Final Terms and the Tripartite Base Prospectus will be made available free of charge at Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland (Phone: +41 (0)58 800 1000, Facsimile: +41 (0)58 800 1010). Furthermore, the documents will be published in electronic form on the website www.leonteq.com *[insert additional form of publication: ●]*.

[insert in the case of offerings into Switzerland, if applicable: This Product is a derivative financial instrument. It does not qualify as part of a collective investment within the meaning of Art. 7 et seqq. Swiss Collective Investments Act (schweizerisches Bundesgesetz über die kollektiven Kapitalanlagen – KAG) and therefore is neither registered nor supervised by the Swiss Financial

Market Supervisory Authority (*Eidgenössische Finanzmarktaufsicht* – FINMA). Investors do not enjoy the specific investor protection provided by the KAG.]

Specification of the Products

The subject of the Final Terms are [Bonus Certificates with Cash Settlement (Product No. 1)] [Bonus Certificates with potential Physical Settlement (Product No. 2)] [Capped Bonus Certificates with Cash Settlement and with par value (Product No. 3)] [Capped Bonus Certificates with Cash Settlement and without par value (Product No. 4)] [Capped Bonus Certificates with potential Physical Settlement (Product No. 5)] [Notes (Reverse Convertibles) with Cash Settlement (Product No. 6)] [Notes (Reverse Convertibles) with potential Physical Settlement (Product No. 7)] [Notes (Barrier Reverse Convertibles) with Cash Settlement (Product No. 8)] [Notes (Barrier Reverse Convertibles) with potential Physical Settlement (Product No. 9)] [Discount Certificates with Cash Settlement (Product No. 10)] [Discount Certificates with potential Physical Settlement (Product No. 11)] [Express Certificates with Cash Settlement and without par value (Product No. 12)] [Express Certificates with Cash Settlement and with par value (Product No. 13)] [Tracker Certificates with Cash Settlement (Product No. 14)] [Open End Tracker Certificates with Cash Settlement (Product No. 15)] [Express Certificates with potential Physical Settlement and with par value (Product No. 16)] [Express Certificates with potential Physical Settlement and without par value (Product No. 17)] [Inverse Discount Certificates with Cash Settlement (Product No. 18)] [Master Discount Certificates with Cash Settlement (Product No. 19)] [Express Certificates with Cash Settlement and with par value and unconditional minimum redemption (Product No. 20)] [Express Certificates with Cash Settlement and with par value and with Downside Participation Factor (Product No. 21)] [Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts (Product No. 22)] [Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 23)] [Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 24)]. [For the current Products COSI is applicable.] [For the current Products COSI is not applicable.]

Presentation of the Final Terms

[insert for an increase of issue size of Products issued under this Tripartite Base Prospectus: The Products are divided into • Products that, together with the • Products of [insert identification number(s): •] that have been issued under the Final Terms dated • (the "First Final Terms") to the Tripartite Base Prospectus dated 5 July 2013, as amended by any supplements, (the "First Base Prospectus") are consolidated and shall form a single issue therewith.]

The Final Terms were prepared in accordance with Article 5 (4) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as most recently amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010) (the "Prospectus Directive") and must be read in conjunction with the Tripartite Base Prospectus (consisting of the Summary and the Securities Note, each dated 5 July 2013, as supplemented from time to time, together with the Registration Document of Leonteq Securities AG dated 24 June 2013, [as supplemented] [from time to time] by the supplement[s] dated • [and][,] [dated •] and as further supplemented)). Complete information about the Issuer and the offer of the Products can be obtained only from a synopsis of these Final Terms together with the Tripartite Base Prospectus (including all related supplements, if any).

The Final Terms to the Tripartite Base Prospectus take the form of a separate document within the meaning of Article 26 (5) of Commission Regulation (EC) No. 809/2004 of 29 April 2004 as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 and Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 (the "**Prospectus Regulation**").

An issue specific summary that has been completed for the Products is attached to these Final Terms.

[in the case of Products listed on the SIX Swiss Exchange AG insert: The Issuer will file an application for listing the Products on the SIX Swiss Exchange AG and for (provisional) admission to trading on the platform of Scoach Switzerland Ltd.]

The Products have not been and shall not be registered under the United States Securities Act of 1933, as amended. They may not be offered, sold, traded or delivered, directly or indirectly, in the United States by or to or for the account of a US person (as defined in Regulation S in accordance with the United States Securities Act of 1933). In the event of a Redemption of the Products in accordance with the Conditions, a certification as to non-United States beneficial ownership shall be deemed to have been given by the relevant Holders (as described in § 8 (2) of the Issue Specific Conditions).

PART I**INFORMATION ABOUT THE TERMS AND CONDITIONS – ISSUE SPECIFIC CONDITIONS**

*[insert in the case of "Consolidated Conditions": In respect of the Series of Products (i) the Issue Specific Conditions as replicated in these Final Terms and (ii) the General Conditions for Products governed by [German][Swiss] law as laid out in the Securities Note together shall constitute the Terms and Conditions applicable to the Series of Products (the "**Conditions**"). The Issue Specific Conditions as replicated in these Final Terms are to be read in conjunction with the General Conditions.*

[insert applicable Product Specific Conditions (Part A.) and Underlying Specific Conditions (Part B.)]

[insert in the case of "Reference Conditions":

This Part I. of the Final Terms is to be read in conjunction with the Product Specific Conditions applicable to [Bonus Certificates with Cash Settlement (Product No. 1)] [Bonus Certificates with potential Physical Settlement (Product No. 2)] [Capped Bonus Certificates with Cash Settlement and with par value (Product No. 3)] [Capped Bonus Certificates with Cash Settlement and without par value (Product No. 4)] [Capped Bonus Certificates with potential Physical Settlement (Product No. 5)] [Notes (Reverse Convertibles) with Cash Settlement (Product No. 6)] [Notes (Reverse Convertibles) with potential Physical Settlement (Product No. 7)] [Notes (Barrier Reverse Convertibles) with Cash Settlement (Product No. 8)] [Notes (Barrier Reverse Convertibles) with potential Physical Settlement (Product No. 9)] [Discount Certificates with Cash Settlement (Product No. 10)] [Discount Certificates with potential Physical Settlement (Product No. 11)] [Express Certificates with Cash Settlement and without par value (Product No. 12)] [Express Certificates with Cash Settlement and with par value (Product No. 13)] [Tracker Certificates with Cash Settlement (Product No. 14)] [Open End Tracker Certificates with Cash Settlement (Product No. 15)] [Express Certificates with potential Physical Settlement and with par value (Product No. 16)] [Express Certificates with potential Physical Settlement and without par value (Product No. 17)] [Inverse Discount Certificates with Cash Settlement (Product No. 18)] [Master Discount Certificates with Cash Settlement (Product No. 19)] [Express Certificates with Cash Settlement and with par value and unconditional minimum redemption (Product No. 20)] [Express Certificates with Cash Settlement and with par value and with Downside Participation Factor (Product No. 21)] [Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts (Product No. 22)] [Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 23)] [Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 24)] and the set of Part B. Underlying Specific Conditions applicable to [Shares][Indices][Securities representing shares][Currency Exchange Rates][Commodities][Futures Contracts] [Shares in a[n exchange traded] Fund] [Fixed Rate Instruments and/or Derivative Instruments] set forth in the Securities Note.

All references in this part of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Issue Specific Conditions.

All provisions in the Issue Specific Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Products.

Furthermore, the General Conditions for Products governed by [German][Swiss] law as laid out in the Securities Note will apply.

Part A – Product Specific Conditions

[in the case of Bonus Certificates with Cash Settlement (Product No. 1) insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Bonus Certificates with potential Physical Settlement (Product No. 2) insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4 Redemption

[insert applicable Redemption provision: ●]

[§ 10 Collateral Secured Instruments (COSI)]

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

*[in the case of Capped Bonus Certificates with Cash Settlement and with par value (Product No. 3)
insert:]*

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated Securities (paragraph 2)	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Swiss Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[Swiss CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
German Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4 Redemption

[insert applicable Redemption provision: ●]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]
(paragraph 3)

[in the case of Capped Bonus Certificates with Cash Settlement and without par value (Product No. 4) insert:

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
German Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

[§ 10**Collateral Secured Instruments (COSI)**

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Capped Bonus Certificates with potential Physical Settlement (Product No. 5) insert:

§ 1**Form and Issue Size; Definitions; Term of the Products**

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Notes (Reverse Convertibles) with Cash Settlement (Product No. 6) insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: •]

§ 4 Redemption

[insert applicable Redemption provision: •]

[§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

*[in the case of Notes (Reverse Convertibles) with potential Physical Settlement
(Product No. 7) insert:*

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [•][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [•][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent]	[●][See Table 1 in the Annex]
Swiss Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[Swiss CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
German Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4**Redemption, Physical Delivery**

[insert applicable Redemption provision: ●]

§ 10**Collateral Secured Instruments (COSI)**

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

*[in the case of Notes (Barrier Reverse Convertibles) with Cash Settlement
(Product No. 8) insert:*

§ 1**Form and Issue Size; Definitions; Term of the Products**

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading] [●][See Table 1 in the Annex]

Lot]	
[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
German Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Notes (Barrier Reverse Convertibles) with potential Physical Settlement (Product No. 9) insert:]

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4 Redemption, Physical Delivery

[insert applicable Redemption provision: ●]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]
(paragraph 3)

[in the case of Discount Certificates with Cash Settlement (Product No. 10) insert:

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]
Number of Products [●][See Table 1 in the Annex]

(paragraph 1)

Settlement (paragraph 1)	Currency	[●][See Table 1 in the Annex]

Swiss Securities (paragraph 2)	Uncertificated	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

Swiss Bearer (paragraph 2)	Securities	[Applicable][Not applicable]

[Swiss CBF Bearer Securities]	[Applicable][Not applicable]

[Minimum Trading Lot]	[●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

German Bearer Securities (paragraph 2)		[Applicable][Not applicable]

[German CBF Bearer Securities]	[Applicable][Not applicable]

[Minimum Trading Lot]	[●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities]	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

Clearing System	[●][See Table 1 in the Annex]

COSI (paragraph 3)	[Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4 Redemption, Physical Delivery

[insert applicable Redemption provision: ●]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Discount Certificates with potential Physical Settlement (Product No. 11) insert:

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[Swiss CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
German Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4**Redemption, Physical Delivery**

[insert applicable Redemption provision: ●]

§ 10**Collateral Secured Instruments (COSI)**

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Express Certificates with Cash Settlement and without par value (Product No. 12) insert:

§ 1**Form and Issue Size; Definitions; Term of the Products**

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer] [Applicable][Not applicable]

Securities]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

§ 5

Interest, Coupon Payments

[insert applicable Interest provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Express Certificates with Cash Settlement and with par value (Product No. 13) insert:

§ 1**Form and Issue Size; Definitions; Term of the Products**

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

Securities]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

§ 5

Interest, Coupon Payments

[insert applicable Interest provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Tracker Certificates with Cash Settlement (Product No. 14) insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

§ 6

Exercise by the Holder

Exercise by the Holder [Applicable][Not applicable]

§ 9

Ordinary Termination by the Issuer

Ordinary Termination by the Issuer [Applicable][Not applicable]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Open End Tracker Certificates with Cash Settlement (Product No. 15) insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated Securities (paragraph 2) [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities (paragraph 2) [Applicable][Not applicable]

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities (paragraph 2) [Applicable][Not applicable]

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4 Redemption

[insert applicable Redemption provision: ●]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Express Certificates with potential Physical Settlement and par value (Product No. 16) insert:]

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: •]

§ 4 Redemption, Physical Delivery

[insert applicable Redemption provision: •]

§ 5 Interest, Coupon Payments

[insert applicable Interest provision: •]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Express Certificates with potential Physical Settlement and without par value (Product No. 17) insert:

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [•][See Table 1 in the Annex]
(paragraph 1)

Settlement (paragraph 1)	Currency	[●][See Table 1 in the Annex]

Swiss Securities (paragraph 2)	Uncertificated	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

Swiss Bearer (paragraph 2)	Securities	[Applicable][Not applicable]

[Swiss CBF Bearer Securities]	[Applicable][Not applicable]

[Minimum Trading Lot]	[●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

German Bearer (paragraph 2)	Securities	[Applicable][Not applicable]

[German CBF Bearer Securities]	[Applicable][Not applicable]

[Minimum Trading Lot]	[●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities]	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

Clearing System	[●][See Table 1 in the Annex]

COSI (paragraph 3)	[Applicable][Not applicable]

§ 3
Definitions

[insert applicable Definitions: ●]

§ 4
Redemption, Physical Delivery

[insert applicable Redemption provision: ●]

§ 5
Interest, Coupon Payments

[insert applicable Interest provision: ●]

§ 10
Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Inverse Discount Certificates with Cash Settlement (Product No. 18) insert:

§ 1
Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]

Securities (paragraph 2)

[Custody Agent]	[●][See Table 1 in the Annex]

Swiss Bearer Securities (paragraph 2)	[Applicable][Not applicable]

[Swiss CBF Bearer Securities]	[Applicable][Not applicable]

[Minimum Trading Lot]	[●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

German Bearer Securities (paragraph 2)	[Applicable][Not applicable]

[German CBF Bearer Securities]	[Applicable][Not applicable]

[Minimum Trading Lot]	[●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities]	[Applicable][Not applicable]

[Custody Agent]	[●][See Table 1 in the Annex]

Clearing System	[●][See Table 1 in the Annex]

COSI (paragraph 3)	[Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4 Redemption

[insert applicable Redemption provision: ●]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]
(paragraph 3)

[in the case of Master Discount Certificates with Cash Settlement (Product No. 19) insert:

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Number of Products [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer [Applicable][Not applicable]

Securities]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities (paragraph 2) [Applicable][Not applicable]

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Express Certificates with Cash Settlement and with par value and unconditional minimum redemption (Product No. 20) insert:

§ 1**Form and Issue Size; Definitions; Term of the Products**

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

§ 5

Interest, Coupon Payments

[insert applicable Interest provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Express Certificates with Cash Settlement and with par value and with Downside Participation Factor (Product No. 21) insert:]

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

Securities]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

§ 5

Interest, Coupon Payments

[insert applicable Interest provision: ●]

[§ 10

Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Certificates with Cash Settlement and with par value and with unconditional minimum redemption and Partial Redemption Amounts (Product No. 22) insert:

§ 1

Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[Swiss SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

German Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[German CBF Bearer Securities] [Applicable][Not applicable]

[Minimum Trading Lot] [●][See Table 1 in the Annex]

[German SIX SIS Bearer Securities] [Applicable][Not applicable]

[Custody Agent] [●][See Table 1 in the Annex]

Clearing System [●][See Table 1 in the Annex]

COSI (paragraph 3) [Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: •]

§ 4 Redemption

[insert applicable Redemption provision: •]

§ 5 Interest, Coupon Payments

[insert applicable Interest provision: •]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

[in the case of Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 23) insert:

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [•][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [•][See Table 1 in the Annex]

(paragraph 1)

Swiss	Uncertificated	[Applicable][Not applicable]
Securities (paragraph 2)		

[Custody Agent]	[●][See Table 1 in the Annex]

Swiss	Bearer	Securities	[Applicable][Not applicable]
(paragraph 2)			

[Swiss CBF Bearer	[Applicable][Not applicable]
Securities]	

[Minimum Trading	[●][See Table 1 in the Annex]
Lot]	

[Swiss SIX SIS Bearer	[Applicable][Not applicable]
Securities]	

[Custody Agent]	[●][See Table 1 in the Annex]

German Bearer Securities	[Applicable][Not applicable]
(paragraph 2)	

[German CBF Bearer	[Applicable][Not applicable]
Securities]	

[Minimum Trading	[●][See Table 1 in the Annex]
Lot]	

[German SIX SIS Bearer	[Applicable][Not applicable]
Securities]	

[Custody Agent]	[●][See Table 1 in the Annex]

Clearing System	[●][See Table 1 in the Annex]

COSI (paragraph 3)	[Applicable][Not applicable]

§ 3 Definitions

[insert applicable Definitions: ●]

§ 4 Redemption

[insert applicable Redemption provision: ●]

§ 10 Collateral Secured Instruments (COSI)

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]
(paragraph 3)

[in the case of Capped Certificates with Cash Settlement and with par value and with unconditional minimum redemption (Product No. 24) insert:

§ 1 Form and Issue Size; Definitions; Term of the Products

Issuer (paragraph 1) Leonteq Securities AG[, acting through its Guernsey Branch]

Total Nominal Amount [●][See Table 1 in the Annex]
(paragraph 1)

Settlement Currency [●][See Table 1 in the Annex]
(paragraph 1)

Swiss Uncertificated [Applicable][Not applicable]
Securities (paragraph 2)

[Custody Agent] [●][See Table 1 in the Annex]

Swiss Bearer Securities [Applicable][Not applicable]
(paragraph 2)

[Swiss CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[Swiss SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
German Bearer Securities (paragraph 2)	[Applicable][Not applicable]
[German CBF Bearer Securities]	[Applicable][Not applicable]
[Minimum Trading Lot]	[●][See Table 1 in the Annex]
[German SIX SIS Bearer Securities]	[Applicable][Not applicable]
[Custody Agent]	[●][See Table 1 in the Annex]
Clearing System	[●][See Table 1 in the Annex]
COSI (paragraph 3)	[Applicable][Not applicable]

§ 3

Definitions

[insert applicable Definitions: ●]

§ 4

Redemption

[insert applicable Redemption provision: ●]

§ 10**Collateral Secured Instruments (COSI)**

Value Determination Method [Method A: Fair Value Method] [Method B: Bond Floor Method]]]
(paragraph 3)

Part B – Underlying Specific Conditions

[in the case of Shares as Underlying or Basket Component insert:

§ 11**Market Disruption**

Single Underlying and [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket und Common [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

§ 13**Extraordinary Termination**

Additional Termination Event [Increased Cost of Hedging] [Increased Cost of Collateralization]
[Change in Law] [Hedging Disruption] [Insolvency Filing] [Failure to
Deliver] [Reduced Number of Shares]

Relevant Number of Shares [●][Not applicable]]

[in case of Indices as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket und Common [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Increased Cost of Hedging] [Increased Cost of Collateralization]
[Change in Law] [Hedging Disruption]]

[in case of Securities representing shares as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket und Common [Applicable][Not applicable]
 Postponement of the
 Underlying Valuation Date
 (paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Increased Cost of Hedging] [Increased Cost of Collateralization]
 [Change in Law] [Hedging Disruption] [Insolvency Filing] [Failure to
 Deliver] [Reduced Number of Shares]

Relevant Number of Shares [●][Not applicable]

[in case of Commodities as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
 Postponement of the
 Underlying Valuation Date
 (paragraph 1)

Basket and Individual [Applicable][Not applicable]
 Postponement of the
 Underlying Valuation Date
 (paragraph 1)

Basket und Common [Applicable][Not applicable]
 Postponement of the
 Underlying Valuation Date
 (paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Permanent Market Disruption Event] [Increased Cost of Hedging]
 [Increased Cost of Collateralization] [Change in Law] [Hedging

Disruption]]

[in case of Currency Exchange Rates as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Common [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Increased Cost of Hedging] [Increased Cost of Collateralization]
[Change in Law] [Hedging Disruption]]

[in case of futures contracts as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket und Common [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Permanent Market Disruption Event] [Increased Cost of Hedging]
[Increased Cost of Collateralization] [Change in Law] [Hedging
Disruption]]

[in case of fixed rate or derivative instruments as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket und Common [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Increased Cost of Hedging] [Increased Cost of Collateralization]
[Change in Law] [Hedging Disruption]]

[in case of shares in an exchange traded Fund as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket und Common [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Increased Cost of Hedging] [Increased Cost of Collateralization]
[Change in Law] [Hedging Disruption]

[in case of an unlisted Fund Unit as Underlying or Basket Component insert:

§ 11

Market Disruption

Single Underlying and [Applicable][Not applicable]
Postponement of the

Underlying Valuation Date
(paragraph 1)

Basket and Individual [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

Basket and Common [Applicable][Not applicable]
Postponement of the
Underlying Valuation Date
(paragraph 1)

§ 13

Extraordinary Termination

Additional Termination Event [Increased Cost of Hedging] [Increased Cost of Collateralization]
[Change in Law] [Hedging Disruption]]

ANNEX TO THE ISSUE SPECIFIC CONDITIONS

Table 1

[WKN] [/] [ISIN] [/] [Valor] [/] [SIX Symbol] [insert different identification code, if applicable: •]	Underlying	[Denomination (expressed in the Settlement Currency)][Conversion Ratio] [/ Total Nominal Amount* (expressed in the Settlement Currency)]/ [Number of Products*] [/] [Minimum Trading Lot (expressed in the Settlement Currency)]/ Settlement Currency [Website]	[Initial Fixing Date] [/] [Initial Fixing Observation Dates] [/] [Initial Fixing Period] [/] [Initial Basket Value] [/] [Final Fixing Date] [/] [Valuation Date (t)] [/] [Redemption Date] [/] [Start of the Exercise Period] [/] [Exercise Period] [/] [Exercise Date] [/] [Business Centre] [/] [Minimum Exercise Number][Issue Date] [Issue Surcharge]	[Issue Price (expressed in the Settlement Currency)] [/] [Management Fee] [/] [Participation Factor]	[Initial Fixing Level (expressed in the Reference Currency)] [/] [Barrier Level] [/] [Cap Level] [/] [Bonus Level] [/] [Strike Level] [/] [Inverse Level] [/] [Minimum Redemption Factor] [/] [Partial Redemption Factor] [/] Participation Factor] [/] [Downside Participation Factor] [/] [Maximum Redemption Factor] [/] [Maximum Redemption Amount]	[Observation Period] [Barrier Observation Period] [Underlying Valuation Date]	[Coupon Trigger Level] [/] [Coupon] [/] [Coupon Rate] [/] [Coupon Payment Date(s)] [/] [/] [Coupon Amount]	[Custody Agent] [/] [Clearing System] [/] [Calculation Agent(s)] (including specified office)] [/] [Paying Agent(s)] (including specified office(s)) [/] [Fiscal Agent] [/] [Coupon] [Account]	[insert different or supplementing definitions, if applicable: •]
[•]	[[Share] [Security representing Shares] [Index] [Currency Exchange Rate] [Commodity] [Futures Contract] [Fixed Rate]	[•]	[•]	[•]	[•]	[•]	[•]	[SIX SIS AG, Brandschenkestr ße 47, 8002 Zurich, Switzerland, facsimile: +41 44 288 45 12 ("SIX SIS") [•] [/] [SIX SIS AG, Brandschenkestr ße 47, 8002 Zurich,	[•]

	Instrument] [Derivative Instrument] [Fund Unit] [, as specified in Table 2]] [Basket consisting of Basket Components as specified in Table 2]							Switzerland, facsimile: +41 44 288 45 12 (" SIX SIS ")] [Clearstream Banking AG, Frankfurt am Main, Mergenthaleralle e 61, 65760 Eschborn, Germany (" Clearstream, Frankfurt ")] [•] [•] [/] [Leonteq Securities AG, Brandschenkestra sse 90, 8002 Zurich, Switzerland, Facsimile: +41 (0)58 800 1010] [•] [•] [•] [/] [Leonteq Securities AG, Brandschenkestra sse 90, 8002 Zurich, Switzerland, Facsimile: +41 (0)58 800 1010] [•] [•] [•] [/] [•]	

* [[The actual Total Nominal Amount or the] [The] actual Number of Products depends on the number of subscriptions received by the Lead Manager and is – subject to an increase or a (partial) repurchase of the Products – limited to the Number of Products specified in **Table 1.**] [[The actual Total Nominal Amount or the] [The] actual Number of Products depends on the number of orders received by the Lead Manager and is – subject to an increase or a (partial) repurchase of the Products – limited to the Number of Products specified in **Table 1.**]

[** Values identified with "***" will be determined on the relevant Initial Fixing Date by the Issuer and/or the Calculation Agent and will be published after determination pursuant to § 4 of the General Conditions.]

Table 2

[Underlying] [(Share [Security representing Shares] [Index] [Currency Exchange Rate] [Commodity] [Futures Contract] [Fixed Rate Instrument] [Derivative Instrument] [Fund Unit] [Basket Components])]	[ISIN of the [Underlying] [Basket Component]] [Reuters Code of the [Underlying] [Basket Component]] <i>[insert other identifier, if applicable: •]</i>	[Exchange] [/] [Reference Market] [/] [Reference Agent] [/] [Price Source] [/] [Manageme nt Company] [/] [Fund]	[Index Sponsor] [/] [Domicile / Share type <i>[in case of physical settlement insert: /</i> Transferabil ity / Tradeability]] [/] [Contract months / Final Fixing]	[Bloomberg page*] [Reuters page*]	Reference Currency	[Exchange Rate Page] [/] [Exchange Rate Sponsor]	[web page*]	[Initial] Weighting of the Basket Component in %] [/] [Number of Basket Component _(i)] [/] [Initial Fixing Level of the Basket Component] [/] [Conversion Ratio] [/] [Cap Level]	<i>[insert different or supplementing definitions, if applicable: •]</i>
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

[* The Issuer and the Lead Manager do not give any guarantee that the information provided on the [Bloomberg page] [Reuters page] [and/or] [web page] [exchange rate page] referred to above is accurate or complete.]

[insert in the case of Products with an autocallable / express structure:

Table 3

[Autocall Date]	Observation	[Autocall Trigger Level]	[Early Redemption Date]	[Coupon Amount]	Rate][Coupon	[Coupon Date][Coupon Level][Coupon Date]	Observation Trigger Payment	<i>[insert different or supplementing definitions, if applicable: •]</i>

[•]	[•]	[•]	[•]	[•]	[•]

]

[insert in the case of Certificates with Cash Settlement and with par value and unconditional minimum redemption, if applicable:

Table 3

Performance of the Basket Component with the Worst Performance	Redemption Amount (in the Settlement Currency)	<i>[insert different or supplementing definitions, if applicable: •]</i>
[•]	[•]	[•]

]

PART II ADDITIONAL INFORMATION

Interests of natural and legal persons involved in the issue/offer

[With respect to interests of natural and legal persons involved in the issue and resulting potential conflicts of interest, please refer to "4. Risk of conflicts of interest" under "I. Risk Factors relating to the Products" in the Securities Note.][●]

Conditions of the offer, issue price, commissions and valuation

[Start of Public Offering in Germany: ●]

[Start of Public Offering in Austria: ●]

[insert start of public offering in additional Offer States: ●]

[Subscription Period: ● [The Issuer reserves the right to end the subscription period prematurely [or to extend it].]]

[Minimum Investment Amount: ●]

Issue Price: ●

Issue Date: ●

[Relevant Fees will be paid for these Products.]

[Significant Fees will be paid for these Products.]

[Substantial Fees will be paid for these Products.]

[No commission will be paid for these Products.]

[insert additional information in relation to the conditions of the offer: ●]

Listing and Trading

[The Issuer intends to have the Products admitted for trading on the exchange(s) as specified in the table below in the relevant segment, if applicable. Bid and offer prices for the Products on the secondary market shall be quoted on each day of trading during the quoting period as specified in the table below under normal market conditions pursuant to the exchange rules and regulations.

Products	Exchange/	Scheduled First	Last trading day [/ last trading	Market Maker	Quoting	[Quoting in consideration of

(ISIN)	segment	Trading Day	time		period	accrued interest][insert further details in relation to listing, if applicable: ●]
[●]	[●]/[●]	[●]	[●] [✓/[●]]	[insert name and address: ●]	[09.00 – 17.30 CET] [●]	[no (clean prices)] [yes (dirty prices)] [●]

However, the Issuer does not assume any legal obligation in respect of the realisation of admission to trading on an exchange as at the Scheduled First Trading Day or the maintenance of any admission to trading that is realised. [Products of the same class have already been admitted for trading on the [●].]

[For the time being, a listing of the Products is not intended.]

[insert information related to off-exchange market-making or other information related to trading, if applicable: ●]

Non-exempt offer in the European Economic Area (EEA)

[Not applicable.] [In respect of offering in the European Economic Area (EEA), an offer of the Products may be made within the scope of the consent to use the prospectus granted below by the offeror and/or each further credit institution subsequently reselling or finally placing Products other than pursuant to Article 3(2) of the Prospectus Directive in to [Austria][,] [and] [Germany][,] [and] [France] [and] [the United Kingdom] (the "**Offer State[s]**") during the period commencing from[, and including,][the start of the offering in the respective Offer State] [insert date: ●] [to[, and including,] [insert date: ●]] (the "**Offer Period**") [insert further/ other details in relation to Non-exempt offer: ●]

Consent to use of Prospectus

[insert in the case of a general consent: The Issuer consents to the use of the Tripartite Base Prospectus and these Final Terms by all financial intermediaries (general consent). General consent for the subsequent resale or final placement of Products by the financial intermediaries is given in relation to the Offer State[s] during the Offer Period during which subsequent resale or final placement of the Products can be made, provided however, that the Tripartite Base Prospectus is still valid according to Section 9 of the German Securities Prospectus Act.]

[insert in the case of an individual consent if the specified financial intermediaries shall be entitled to use the prospectus in all Offer States: The Issuer consents to the use of the Tripartite Base Prospectus and these Final Terms by the following financial intermediaries (individual consent): [insert name and address of specific intermediary: ●]. Individual consent for the subsequent resale or final placement of Products by the specified financial intermediaries is given in relation to the Offer State[s] during the Offer Period during which subsequent resale or final placement of the Products can be made, provided however, that

the Tripartite Base Prospectus is still valid according to Section 9 of the German Securities Prospectus Act. Any new information with respect to financial intermediaries unknown at the time of the approval of the Tripartite Base Prospectus or the filing of the Final Terms will be published [on the website www.leonteq.com [*insert other website: •*].]

[insert in the case of an individual consent if the specified financial intermediaries shall be entitled to use the prospectus in different selected jurisdictions only: The Issuer consents to the use of the Tripartite Base Prospectus and these Final Terms by the financial intermediaries set out in the table below (individual consent) for the subsequent resale or final placement of Products in relation to such Offer State[s] as selected in the table below during the Offer Period during which subsequent resale or final placement of the Products can be made, provided however, that the Tripartite Base Prospectus is still valid according to Section 9 of the German Securities Prospectus Act.

Name and address of financial intermediary	Selected Offer State(s)
[•]	[•]
[•]	[•]

Any new information with respect to financial intermediaries unknown at the time of the approval of the Tripartite Base Prospectus or the filing of the Final Terms will be published [on the website www.leonteq.com] [*insert other website: •*].]

[Further, such consent is subject to and given under the condition [•].]

Information relating to the Underlying

[The information about the [Underlying] [basket components contained in the Underlying] as described consists of extracts and summaries from publicly available sources [that have been translated into English]. The Issuer confirms that this information has been accurately reproduced and that –and as far as the Issuer is able to ascertain from the publicly accessible information available to it– no facts have been omitted which would render the reproduced information [which has been translated into English] inaccurate or misleading. Neither the Issuer nor the Lead Manager accepts any further responsibility in respect of this information. In particular, neither the Issuer nor the Lead Manager accepts any responsibility for the accuracy of the information concerning the Underlying or provide any guarantee that no event has occurred which might affect the accuracy or completeness of this information.]

[Description of [Underlying][Basket Constituents]: •]

[insert in the case of a single asset as Underlying: The following table shows the [relevant] Underlying and the [relevant] publicly available web page on which information concerning the past and future performance and volatility of the [relevant] Underlying at the time of preparation of the Final Terms can be viewed:

Underlying[s] ([Index] [/] [Share] [/] [Security representing Shares] [/] [Currency Exchange Rate] [/] [Commodity] [/] [Futures Contract] [/] [Fixed Rate Instrument] [/] [Derivative Instrument] [/] [Fund Unit]	[ISIN][/] [Unit of weight] [/] [Unit of measurement]	[Bloomberg page*] [Reuters page*]	Web page*
[•]	[•]	[•]	[•]

* The Issuer and the Lead Manager do not give any guarantee that the information provided on the [Bloomberg page] [Reuters page] [and/or] [web page] referred to above is accurate or complete and will not give notice of any updates.]]

[insert in the case of a basket as Underlying:

The following table[s] show[s] Basket Components contained in the [relevant] Underlying and the publicly available web page on which information concerning the past and future performance and volatility of the relevant Basket Component at the time of preparation of the Final Terms can be viewed:

Basket Component_(i=1):	[ISIN][/] [Unit of weight] [/] [Unit of measurement]	[Bloomberg page*] [Reuters page*]	Web page*	[Initial] weighting of Basket Component in %
[•]	[•]	[•]	[•]	[•]

* The Issuer and the Lead Manager do not give any guarantee that the information provided on the [Bloomberg page] [Reuters page] [and/or] [web page] referred to above is accurate or complete and will not give notice of any updates.]]

Publication of post-issuance information

The Issuer does not intend to publish any post-issuance information with the exception of the notices referred to in the Terms and Conditions.

[ILLUSTRATION OF THE MECHANISM OF THE PRODUCTS

Where applicable, insert example(s) for complex derivative securities: •]

ANNEX - ISSUE SPECIFIC SUMMARY

[the issue specific summary is to be annexed to the Final Terms by the Issuer]

VII. GENERAL INFORMATION**1. *Responsibility statement***

Leonteq Securities AG, which may also be acting through its Guernsey branch Leonteq Securities AG, Guernsey Branch, as Issuer and Leonteq Securities AG in its role as Lead Manager accept responsibility for the information provided in the Tripartite Base Prospectus and accordingly declare that the information contained in the Tripartite Base Prospectus is, to the best of its knowledge, in accordance with the facts and that no material circumstances have been omitted.

2. *Availability of the Tripartite Base Prospectus*

The Summary, the Securities Note and the Registration Document and any supplements thereto are published by making them available free of charge at Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland, and in another form as may be required by law. Furthermore, the documents will be published on the website www.leonteq.com. The Tripartite Base Prospectus has been approved in this form by BaFin. BaFin has checked the Tripartite Base Prospectus for formal completeness as well as the coherence and clarity of the information presented therein. BaFin has not examined the accuracy of the contents. The Final Terms of the Products shall only be fixed shortly before the public offering and shall be published at the latest on the first day of the public offering. The Final Terms shall be published by making these be available free of charge at Leonteq Securities AG, Brandschenkestrasse 90, 8002 Zurich, Switzerland and in another form as may be required by law. Furthermore, the Final Terms will be published on the website www.leonteq.com and on any other website set out in the applicable Final Terms.

3. *Information from third parties*

No information or statements by third parties have been included in the Tripartite Prospectus, unless explicitly indicated in the Final Terms.

4. *Rating*

No rating has been assigned to the Issuer. A specific rating of the Products has not been arranged, unless otherwise explicitly indicated in the Final Terms.

5. *Consent to use the Prospectus*

The Issuer consents, to the extent and under the conditions, if any, as specified in the relevant Final Terms, to the use of this Tripartite Base Prospectus and accept responsibility for the content of the Tripartite Base Prospectus also with respect to subsequent resale or final placement of Products by any financial intermediary which was given consent to use the Tripartite Base Prospectus. Such consent is given for the duration of the Offer Period specified in the applicable Final Terms. Such consent may, as specified in the relevant Final Terms, be given for the duration of the Offer Period specified in the relevant Final Terms to:

- (1) all financial intermediaries (general consent) and for all Offer States; or
- (2) one or more specified financial intermediaries (individual consent) and either
 - (a) for all Offer States; or
 - (b) for selected Offer States only.

"Offer States" means one or more of the following Member States, as specified in the relevant Final Terms: Germany, France and the United Kingdom.

The above consent is subject to compliance with the selling restrictions applicable to the Products and with any applicable law. Each financial intermediary is obliged to only provide the Tripartite Base Prospectus together with any supplement thereto (if any) to any potential investor.

In the event that a financial intermediary makes an offer, that financial intermediary will inform investors at the time the offer is made of the terms and conditions of the offer.

If the relevant Final Terms state that the consent to use the Tripartite Base Prospectus is given to all financial intermediaries in the respective Offer States (general consent), any financial intermediary using the Tripartite Base Prospectus has to state on its website that it uses the Tripartite Base Prospectus with the consent of the Issuer and in accordance with the conditions attached thereto.

If the relevant Final Terms state that the consent to use the Tripartite Base Prospectus is given to one or more specified financial intermediaries in the respective Offer States (individual consent), any new information with respect to financial intermediaries unknown at the time of the approval of the Tripartite Base Prospectus or the filing of the relevant Final Terms will be published on the website www.leonteq.com or any other website, as further specified in the relevant Final Terms.

ANNEX:
FRAMEWORK AGREEMENT FOR COLLATERAL SECURED INSTRUMENTS

Framework Agreement for Collateral-Secured Instruments

between

1.	SIX Swiss Exchange Ltd [•]	("SSE")
2.	SIX SIS Ltd [•]	("SIX SIS")
3.	[Issuer] [•]	("Issuer")
4.	[Guarantor] [•]	("Guarantor")

(Parties (1) to (4) are referred to jointly as the "*Parties*" and individually as the "*Party*")

Summary of contents

PREAMBLE	2
1 OBJECT AND PURPOSE OF THE AGREEMENT	3
2 LEGAL FOUNDATIONS AND TRANSPARENCY	3
3 CONCLUSION OF COLLATERALIZATION ARRANGEMENT	4
4 COLLATERALIZATION PROCESS	5
5 RIGHTS FROM COLLATERAL	11
6 TAXATION	12
7 FEES	12
8 MARKET MAKING	12
9 DISTRIBUTION OF COLLATERAL-SECURED INSTRUMENTS AND SECONDARY LISTING	13
10 INFORMATION SHEET	15
11 REALIZATION OF COLLATERAL AND PAYMENT TO INVESTORS	16
12 LIABILITY	21
13 DURATION AND CANCELLATION OF THE AGREEMENT	22
14 AMENDMENTS TO THE AGREEMENT	22
15 REQUIREMENTS FOR THE TERMSHEET AND FOR DOCUMENTS OF SIMILAR FUNCTION	22
16 REQUIREMENTS FOR THE LISTING PROSPECTUS AND THE ISSUING PROSPECTUS	23
17 ADDITIONAL TEXT MODULES FOR THE DOCUMENTATION ON COLLATERAL-SECURED INSTRUMENTS	28
18 GENERAL PROVISIONS	29
19 DEFINITIONS	30
20 LANGUAGES	33
21 APPLICABLE LAW AND PLACE OF JURISDICTION	33
APPENDICES	35

Preamble

- A. The Issuer intends to sell financial instruments that are to be listed on SIX Swiss Exchange Ltd and traded on Scoach Switzerland Ltd.
- B. To reduce Investor risk, the financial instruments are to be collateralized in favour of SIX Swiss Exchange Ltd. The Issuer will apply to SIX Swiss Exchange Ltd for collateralization when the application for the admission of a Collateral-Secured Instrument ("COSI") to trading is submitted via CONNEXOR® Listing.
- C. The Guarantor is a participant in SIX SIS and in the off-exchange collateralization market operated by Eurex Zurich Ltd.
- D. The "Special Provisions Governing Collateral-Secured Instruments" issued by SIX Swiss Exchange lay down the method for calculating the Collateral that is required at any given time. Collateral is determined by the nature of the COSI. Where possible, SIX Swiss Exchange will base the collateralization process on third-party valuations of COSIs, or will have the value relevant to the collateralization of the financial instrument calculated by a SIX Group company.

On this basis, the Parties hereby agree the following:

1 Object and purpose of the Agreement

- 1.1 This Framework Agreement governs the collateralization of the Issuer's financial instruments that are to be traded on Scoach Switzerland.
- 1.2 Those financial instruments which may be collateralized in accordance with this Framework Agreement are subject to the restrictions set out in Appendix 1.
- 1.3 This Framework Agreement creates rights and duties between the Parties. Third parties, specifically Investors in COSIs, are not party to this Framework Agreement. Whether before, in the case of or following a Realization Event, Investors shall have no further claims against SSE and SIX SIS other than those provided for expressly in this Framework Agreement.
- 1.4 Should a Realization Event occur, the COSIs shall fall due for redemption pursuant to clause 11.4.1. When the COSIs fall due, the Investors shall automatically have a claim against SSE for the payment of their pro-rata share of the Net Realization Proceeds, in accordance with the provisions set out below. These Investor claims against SSE are based on a genuine contract in favor of a third party (Article 112 para. 2 of the Swiss Code of Obligations). No other or further rights for Investors arise from this Framework Agreement. SSE may remit the pro-rata share of the realization proceeds due to the Investors to SIX SIS participants and third parties, thereby discharging itself of any further liability (clauses 11.4.7 and 11.4.8).
- 1.5 The Parties to this Framework Agreement do not intend to form a simple partnership in the sense of Article 530 ff. of the Swiss Code of Obligations.
- 1.6 Neither SSE nor SIX SIS shall assume the obligations of the Issuer and/or the Guarantor that arise from the COSI at any time before, during or after a Realization Event. Neither shall SSE or SIX SIS participate in the obligations of the Issuer and/or the Guarantor to the Investors at any time before, during or after such an event.
- 1.7 The conclusion of this Framework Agreement or the collateralization of a financial instrument shall not constitute a value judgment on the part of SSE or SIX SIS with regard to the Issuer, the Guarantor, or a given COSI.

2 Legal foundations and transparency

- 2.1 The basis of the legal relationship between the Parties is given by this Framework Agreement for Collateral-Secured Instruments, including Appendices 1 to 7 and (i) the SIX Swiss Exchange Ltd CONNEXOR® Listing license agreement and the CONNEXOR Listing ® provisions, the SIX Swiss Exchange Ltd "Special Provisions Governing Collateral-Secured Instruments" as well as (ii) the SIX SIS Ltd Service Agreement, the SIX SIS Ltd "COSI ServiceGuide", the General Conditions of SIX SIS Ltd and the rules and regulations referred to in the General Conditions of SIX SIS Ltd. Even if a Party to the Framework Agreement is not party to a legal

relationship referred to in this clause 2.1, it is still bound by the documents associated with the legal relationships mentioned in this clause 2.1 to the extent that the legal relationship or document in question concerns the service from SSE and SIX SIS that is covered by this Framework Agreement. In the event of any discrepancy between the Framework Agreement and the documents referred to in this clause 2.1, this Framework Agreement shall take precedence. The contradictory provision set out in clause 4.1.2 of this Framework Agreement remains reserved.

- 2.2 The currently valid version of the SSE Regulatory Board Communiqué entitled "Listing of Collateral-Secured Instruments", or any other regulations on COSIs that may be issued by SIX Exchange Regulation, shall form an integral part of this Framework Agreement for the Issuer and the Guarantor.
- 2.3 The Guarantor undertakes to maintain participation in the Eurex Zurich Ltd collateralization market, including its technical infrastructure, for as long as it remains a Party to this Framework Agreement. The relationship between Eurex Zurich Ltd and the Guarantor is governed by the agreements that exist between the Guarantor and Eurex Zurich Ltd.
- 2.4 The Issuer undertakes to disclose the present Framework Agreement unchanged and in full to any and all interested persons at their first request. Such persons shall not be required to present any proof of interest. The Issuer shall make the Framework Agreement available in the German original or in its English translation free of charge electronically or by regular mail.
- 2.5 In respect of (i) the Issuer, (ii) all SIX Group companies, (iii) the companies charged with valuing the COSI and (iv) the other third parties involved in the service provided by SSE and SIX SIS, the Guarantor shall release SIX SIS from its obligation to maintain bank client confidentiality and business confidentiality, insofar as the release from such confidentiality obligations serves the purpose of the Framework Agreement.
- 2.6 In respect of (i) the Guarantor, (ii) all SIX Group companies, (iii) the companies charged with valuing the COSI and (iv) the other third parties involved in the service provided by SSE and SIX SIS, the Issuer shall release SSE from its obligation to maintain professional confidentiality under the Federal Stock Exchange and Securities Trading Act, as well as from its business confidentiality obligations, insofar as the release from such confidentiality obligations serves the purpose of the Framework Agreement.

3 Conclusion of collateralization arrangement

- 3.1 The Issuer shall apply via the CONNEXOR® Listing application to have an issue of financial instruments collateralized. Via CONNEXOR® Listing, the Issuer will then receive confirmation that the application for the collateralization of financial instruments has been received. SSE will inform SIX SIS of the instrument that is to be collateralized when said instrument is (provisionally) admitted to trading.

- 3.2 The Issuer shall inform SSE via CONNEXOR® Listing of any plans to list a certificate to be traded on a secondary exchange at the time the application is submitted to issue a Collateral-Secured Certificate. An application for authorization to trade certificates on a secondary exchange may not be submitted until the certificate is listed on SIX Swiss Exchange.
- 3.3 For certificates already listed on SSE, the Issuer shall inform SSE via CONNEXOR® Listing of the listing or approval for this certificate to be traded on a secondary exchange. SSE must receive this information at least one working day before the certificate's first trading day on the secondary exchange.
- 3.4 The conclusion of this Framework Agreement does not place the Issuer and the Guarantor under any obligation to have an issue of financial instruments collateralized.
- 3.5 The present Framework Agreement does not give any Party any claim against another Party to have an issue of financial instruments collateralized.
- 3.6 The actual exchange between the Guarantor and SSE of initial Collateral for a certain number of financial instruments, in return for the corresponding COSIs, in accordance with the SIX SIS Rules and Regulations ("*Market Delivery*") automatically obliges the Guarantor to provide Collateral for the same number of financial instruments in accordance with the provisions of the present Framework Agreement.

4 Collateralization process

4.1 Basic principles

- 4.1.1 The collateralization of financial instruments is governed by this Framework Agreement, as well as by the SSE Rules and the SIX SIS Rules and Regulations. The method used to establish the Collateral required at any given time is laid down in the "Special Provisions Governing Collateral-Secured Instruments" from SSE. These Special Provisions also form part of the SSE Rules (clauses 2.1 and 19.20). The version of the SSE Rules that is valid at any given time can be accessed via the SSE website (www.six-swiss-exchange.com), and the SIX SIS Rules and Regulations are posted on the SIX SIS website (www.six-sis.com).
- 4.1.2 The Collateral that shall be furnished by the Guarantor is determined by the Current Value of the COSI. Current Values are (i) determined in the trading currency of the COSI and (ii) converted into Swiss francs in order to calculate the required Collateral ("*Collateral Value*"). The way in which the Current Value is calculated is determined for each COSI when an application for (provisional) admission to trading is submitted via CONNEXOR® Listing. It remains unchanged for the entire term of the COSI. The Issuer shall disclose the method that is used to calculate the Current Value of the COSI in the documents referred to in clauses 15 and 16. If prices for the financial instruments ("*Fair Values*") are available from third parties, such prices shall be factored in to the calculation of Current Value in accordance with the

provisions of the SSE Rules. Otherwise, the calculation of Current Value will use the "bond floor pricing" method, as defined by the Swiss Federal Tax Administration, Bern (Switzerland). Where no bond floor is available for a COSI that is subject to bond floor pricing, the Current Value corresponds at a minimum to the capital protection laid down in the redemption terms for the financial instrument. If the final bid price for the financial instrument at the close of the previous Day's trading on Scoach Switzerland is higher, the Collateral requirement is always based on this latter price. Should the aforementioned COSI prices be unavailable at any given time, then other prices shall be used to calculate required Collateral, in accordance with the SSE Rules. The rules set out in section 7 ("Method of determining the Current Value of certificates for collateralization purposes") of the "Special Provisions for Collateral-Secured Instruments" from SSE take precedence over the principles set out in the present clause 4.1.2 in all cases.

- 4.1.3 On the basis of the Market Deliveries described in clause 3.6, the Guarantor undertakes irrevocably and unconditionally to SSE that it will provide Collateral for (i) the total Current Values of all of the Collateral-Secured Financial Instruments issued by the Issuer under this Framework Agreement (*"Collateral Value"*); (ii) all claims on the part of SSE against the Guarantor and the Issuer that exist under this Framework Agreement, including Fees payable under the additional agreement described in clause 7; (iii) the full costs of the realization of Collateral and the payment of the pro-rata shares of Net Realization Proceeds to the Investors (clause 11.3.3); as well as (iv) regardless of their legal grounds, any and all further claims on the part of SSE that might arise against the Guarantor or the Issuer in direct or indirect connection with the SSE service for the collateralization of financial instruments. This aggregate claim on the part of SSE against the Guarantor, as described in the foregoing sentence and amounting to (i) the Collateral Value and the further components (ii) to (iv), must be secured by the Guarantor in favour of SSE, in accordance with the provisions of this Framework Agreement.
- 4.1.4 The outstanding issue volume of a Collateral-Secured Instrument shall be collateralized in full. Partial collateralization is not possible.
- 4.1.5 Only one Guarantor is permitted for each Issuer at any time.
- 4.1.6 The security interests granted by the Guarantor to SSE serve to collateralize all of the Issuer's financial instruments under the terms of this Framework Agreement. Collateral is not allocated to individual issues of COSIs. Investors cannot derive any rights from the fact that the Guarantor provides Collateral in connection with certain issues.
- 4.1.7 The Guarantor must hold a license (i) as a domestic bank as defined in the Federal Law on Banks and Savings Banks, or (ii) as a domestic securities dealer as defined in the Federal Stock Exchange and Securities Trading Act.

4.2 Type of collateralization and Investor claims

- 4.2.1 On the basis of this Framework Agreement, the Guarantor shall create for the Collateral either a regular right of lien or a lien on outstanding accounts in favor of

SSE. Following the entry into force of the Federal Uncertificated Securities Act of 3 October 2008, the grant of security interests in uncertificated securities on the basis of this Framework Agreement is governed by the provisions of the Federal Uncertificated Securities Act.

- 4.2.2 The present Framework Agreement applies to all forms of Collateral, specifically to book-entry securities and bank money, as a pledge agreement or a Collateral agreement.
- 4.2.3 Security interests in the Collateral (including the rights attached to the Collateral), as described in clause 4.2.1, are deemed created when the Collateral is booked to the SSE account with SIX SIS in favour of SSE. If bank money is provided as Collateral, despite the money being booked to an SSE account the bank money is subject only to a lien on outstanding accounts, rather than a full right of lien in the sense of an assignment of Collateral. SSE shall not hold any rights of use with respect to the Collateral. SSE reserves the right to realize the Collateral under the terms of this Framework Agreement.
- 4.2.4 Investors hold no separate right of lien or other security interests in the Collateral that is lodged in favour of SSE.
- 4.2.5 The Investor claim that is created by the Collateral-Secured Instruments falling due under this Framework Agreement (clause 4.2.6) shall be irrevocable on the part of the Guarantor or a new Guarantor from
 - (a) the point in time at which the COSIs are provisionally admitted to trading (or, if no such admission has been applied for, at the time of definitive admission; or
 - (b) the point in time at which a new Guarantor effectively assumes its obligations (clause 4.10).
- 4.2.6 The COSIs must fall due under this Framework Agreement (clause 11.4.1) before the Investors have any automatic claim to the payment of their pro-rata shares of the Net Realization Proceeds. By acquiring a COSI, each Investor automatically declares to SSE, as described in Art. 112 para. 3 of the Swiss Code of Obligations, that they wish to enforce their rights under the Framework Agreement when the COSI falls due for redemption. **Investors are thus bound in respect of SSE and SIX SIS to the provisions of this Framework Agreement and, in particular, to the choice of law and place of jurisdiction agreed in clause 21 of this Framework Agreement.**

4.3 Nature and quality of Collateral

- 4.3.1 The Guarantor may lodge the Collateral listed in Appendix 2 to this Framework Agreement.
- 4.3.2 Depending on the nature of the Collateral, collateralization margins ("Haircuts") shall apply. The relevant figure for collateralization purposes is calculated from the market price of the Collateral, less the countervalue of the Haircut.

- 4.3.3 SSE shall be entitled at any time to exclude Collateral, specifically including individual securities, from the list of eligible Collateral given in Appendix 2. The selection of eligible Collateral from the categories stipulated in Appendix 2 does not require the approval of the other Parties to the Framework Agreement. SSE shall inform the Issuer, the Guarantor, SIX SIS and Eurex Zurich Ltd of eligible forms of Collateral. Any changes to eligible Collateral that are determined by SSE become effective thirty (30) Days after notification. When these changes come into effect, the Collateral for the financial instruments that is provided by the Guarantor must be fully compliant with the new collateralization rules. Should this not be the case, clause 11.1.2 (a) of this Framework Agreement shall apply.
- 4.3.4 Collateral may also be provided in the form of bank money. No interest is paid on this money, however.
- 4.3.5 In the sense of Article 111 of the Swiss Code of Obligations, the Guarantor shall guarantee to SSE that, at the time the Collateral is lodged and for the entire term of the collateralization arrangement under this Framework Agreement:
- (a) the Collateral is free of any defects of quality or title;
 - (b) no third party has any rights to the Collateral which would prevent the use of the Collateral under this Framework Agreement, neither will any such third-party rights arise while the collateralization arrangement is in effect;
 - (c) the Guarantor is not under any contractual or other obligations that would prevent the use of the Collateral for the purposes described under this Framework Agreement;
 - (d) the Guarantor is not obliged to observe any requirements that would prevent a valid security interest being created in favor of SSE;
 - (e) the Guarantor holds the necessary license to operate as a domestic bank or domestic securities dealer with its legal headquarters (or principal office) in Switzerland; and
 - (f) should a Realization Event occur, the Collateral can be enforced in accordance with the provisions of this Framework Agreement against the Guarantor and for the account of the Investors.
- 4.3.6 SSE and SIX SIS are not under any obligation to inspect the Collateral for defects, as described in clause 4.3.5, either at the time the Collateral is lodged or at any point during the term of the collateralization arrangement.

4.4 Delivery of Collateral upon issuance

- 4.4.1 The delivery of Collateral is governed by the Rules and Regulations of SIX SIS. The Collateral must be available in the Guarantor's custody account with SIX SIS at the latest on the Day prior to the Banking Day on which it must be lodged in favour of SSE (clause 4.2). If the delivery deadline at the SIX SIS depository in question does

not fall on a Banking Day, then the Banking Day that follows immediately after this date shall be deemed the key date for compliance with deadlines.

- 4.4.2 The Guarantor shall bear any and all costs incurred in delivering the securities to SIX SIS or to one of its depositories.

4.5 Degree of cover and obligation to provide additional Collateral

- 4.5.1 The value of the Collateral that has been lodged and the Collateral Value of the COSIs are recalculated on every Banking Day. SIX SIS shall be responsible for establishing the value of Collateral. SSE shall determine the Collateral Value of the COSIs; this figure is binding. For the purposes of collateralization, SIX SIS shall calculate Collateral Values in Swiss francs.
- 4.5.2 Should the value of the Collateral that has been lodged fall below the Collateral Value, specifically because the Current Value of a COSI has increased, or because the value of the Collateral has fallen, and should this shortfall in cover also exceed the agreed Margin Threshold, then the Guarantor shall be obliged to lodge additional Collateral up to the required amount on the same Day, in accordance with SIX SIS Rules and Regulations. If there is insufficient cover for the Collateral Value, SIX SIS will issue a Margin Call.
- 4.5.3 Should the Guarantor fail to provide additional cover within the set period (clause 4.5.2), clause 11 of this Framework Agreement shall apply.
- 4.5.4 Should the value of the Collateral that has been lodged rise above the Collateral Value, specifically because the Current Value of a COSI has declined, or because the value of the Collateral has increased, and should this excess cover also exceed the agreed Margin Threshold, then SSE shall be obliged to return Collateral equaling the excess cover to the Guarantor on the same Day. SSE shall authorize and instruct SIX SIS to trigger an automatic Margin Return in the event of excess cover. Clause 4.9 shall apply accordingly.

4.6 Duration of collateralization arrangement

- 4.6.1 The collateralization arrangement must be maintained for the entire term of a COSI, as provided for in the issuing conditions. The payment under this Framework Agreement of pro-rata shares of Net Realization Proceeds to Investors when the COSI falls due remains reserved.
- 4.6.2 The collateralization arrangement may not be terminated by either the Guarantor or the Issuer.

4.7 Substitution of Collateral

- 4.7.1 The Guarantor is free at any time to exchange all or part of lodged Collateral for Collateral that is accepted by SSE as of equal value. The Collateral that is to be substituted will be returned against the simultaneous provision of Collateral of equivalent value.

- 4.7.2 Following substitution, the new Collateral takes the place of the Collateral that has been returned.

4.8 Management of Collateral

- 4.8.1 SIX SIS shall manage the Collateral within the framework of the SIX SIS Rules and Regulations. SIX SIS shall inform the Guarantor on an ongoing basis of the rights associated with the securities, such as terminations, subscription rights and repayments. The Guarantor undertakes to inform SIX SIS in good time of the action required in managing the Collateral.
- 4.8.2 SIX SIS shall inform SSE of forthcoming corporate actions affecting the Collateral. Where possible, SIX SIS shall substitute this Collateral with other Collateral, in accordance with the SIX SIS Rules and Regulations.
- 4.8.3 If securities are converted, the converted securities shall automatically be subject to a security interest as described in clause 4.2. If securities are redeemed, the entire amount of the repayment shall automatically be subject to a security interest as described in clause 4.2. If the securities are affected by a takeover, merger or comparable transaction under company law, the securities that take their place and/or the takeover price received shall automatically be subject to a security interest as described in clause 4.2.

4.9 Return of Collateral

- 4.9.1 Once the Issuer's obligations have been satisfied in full in accordance with the issuing conditions for a COSI, or if the Issuer reduces the outstanding issue volume, SSE shall return to the Guarantor Collateral of such a value as is not required for the collateralization of other COSIs from the Issuer that are subject to this Framework Agreement.
- 4.9.2 If Collateral has been provided in the form of bank money, the Guarantor shall be able to access it again in its account once the corresponding sum has been released by SSE. Where Collateral has been provided in a foreign currency, SSE shall fulfill its obligation to return the Collateral by means of a transfer to a correspondent bank designated by the Guarantor in the country of the currency in question. The Guarantor shall bear the country and transfer risks.
- 4.9.3 SSE shall warrant that, during the collateralization arrangement, no defects of quality or title have arisen with regard to the Collateral that is to be returned.
- 4.9.4 Any costs of returning the Collateral shall be borne by the Guarantor. SSE and SIX SIS shall not incur any costs in connection with the return of Collateral.

4.10 Change of Guarantor

- 4.10.1 If a new Guarantor is to provide Collateral for the Issuer's outstanding financial instruments, the new Guarantor must enter into the Issuer's Framework Agreement by means of a written declaration of consent. The inclusion of the new Guarantor

requires the written approval of SSE, the departing Guarantor, and the Issuer. Approval from SIX SIS shall be deemed given automatically upon signature of this Framework Agreement. SSE will inform SIX SIS of the new Guarantor.

- 4.10.2 The inclusion of the new Guarantor in the Framework Agreement becomes effective (i) at the start of the fourth Banking Day after the new Guarantor, the departing Guarantor, the Issuer and SSE have given their consent, provided (ii) at the point in time set out in (i), the value of Collateral is secured in full by the new Guarantor, in accordance with the requirements of this Framework Agreement. Where conditions (i) and (ii) of this clause 4.10.2 are not satisfied, the effectiveness of the new Guarantor's inclusion in the Framework Agreement shall be deferred.
- 4.10.3 When the inclusion of the new Guarantor in the Issuer's Framework Agreement becomes effective (clause 4.10.2), the new Guarantor shall assume all of the rights and obligations of a Guarantor under this Framework Agreement, and become party to it. The departing Guarantor is automatically released from its obligations under this Framework Agreement when the new Guarantor's inclusion becomes effective. Outstanding Fees (clause 7) owed by the departing Guarantor shall be paid by it. The new Guarantor shall not be placed under any obligation arising from such unpaid Fees.
- 4.10.4 The Collateral lodged by the departing Guarantor shall not be released from the lien or its collateralization function and returned to the departing Guarantor until the value of the Collateral is secured in full by the new Guarantor. Clause 4.9.4 shall apply.

5 Rights from Collateral

5.1 Exercise of membership, property and other rights to securities

- 5.1.1 Owing to technical conditions at SIX SIS, the Guarantor is not able to exercise non-property-related rights, specifically participation rights, pertaining to securities that serve as Collateral under this Framework Agreement. Should the Guarantor not wish to forego these rights, it must replace these securities with other Collateral in good time.
- 5.1.2 The Guarantor may issue SIX SIS with instructions on the protection of its rights arising from capital market transactions, provided the Collateral Value according to this Framework Agreement remains guaranteed. SIX SIS shall observe these instructions, provided they are issued in full and in good time, and do not contradict the provisions of this Framework Agreement. SIX SIS shall act in accordance with the instructions of the Guarantor, without checking the conformity of those instructions with statutory and other applicable provisions. The expenditure actually incurred in observing such instructions will, in all cases, be passed on to the Guarantor along with the usual bank charges and commissions.
- 5.1.3 Should the Guarantor not issue instructions, or not do so in good time, then the payments or securities that SSE actually receives in connection with the Collateral shall fall within the scope of the security interest set out in clause 4.2. Should SIX

SIS fail to observe a valid instruction, in the context of clause 4.9 the Guarantor shall receive those payments that it would have received had its instructions been duly observed.

- 5.1.4 In the absence of any other agreement, in the case of subscription rights to shares the Guarantor shall inform SIX SIS at the latest three trading Days before the end of the subscription period in question whether the cash settlement for the subscription rights at the price on the last trading Day, or the securities that are acquired are to be subject to the collateralization arrangement described in clause 4.2. Should the Guarantor not issue any instructions, or should it fail to do so in good time, the subscription rights shall be settled in cash at a price on the last trading Day.

5.2 **Income**

- 5.2.1 Notwithstanding clause 5.2.2, any and all income (specifically dividends, interest and premiums) accruing to the Collateral prior to its return shall be paid out to the Guarantor, less any withholding tax, as at the appropriate value date. Any expenditure shall be settled at the same time.
- 5.2.2 Income on Collateral which falls due on or after the Day or Banking Day on which a Realization Event occurs (clause 11.1.2), shall be subject to the lien or security interest in favor of SSE that is described in clause 4.2.1.

6 **Taxation**

- 6.1 The Guarantor shall be responsible for ensuring compliance with the provisions of tax law.
- 6.2 Any taxes or duties on the transfer or holding of the Collateral that are incurred during the collateralization arrangement shall be borne by the Guarantor.
- 6.3 Any taxes or duties on the payment of the pro-rata shares of Net Realization Proceeds shall be borne by the Investors.

7 **Fees**

- 7.1 The Guarantor shall pay SSE a Fee for the latter's collateralization service for financial instruments. The parties will conclude an additional agreement in this regard. The Fee reflects the total volume of Collateral which the Guarantor must lodge for the collateralization of financial instruments under this Framework Agreement. The Fee is owed for the entire term of a COSI, in accordance with its issuing conditions. The period for which the Fee is payable ends when a COSI falls due pursuant to clause 11.4.1.

8 **Market making**

- 8.1 The Issuer undertakes to ensure market making for the COSIs for the entire duration that they are admitted to trading and listed. To this end, the Issuer or a third party

charged by the Issuer with this task shall conclude a Market Making Agreement with Scoach Switzerland Ltd.

- 8.2 Under the terms of the Market Making Agreement, the market maker may be replaced by a successor acceptable to Scoach Switzerland Ltd and the Issuer.

9 Distribution of Collateral-Secured Instruments and Secondary Listing

9.1 Distribution of Collateral-Secured Instruments

- 9.1.1 The distribution of COSIs on the primary and secondary market shall be the responsibility of the Issuer.

- 9.1.2 SSE shall grant the issuer the non-exclusive, non-transferable, royalty-free limited right to use the COSI brand (CH trademark no. 595672) and the COSI logo (CH trademark no. 604066) (hereinafter referred to as "COSI Trademarks") in accordance with Appendix 6; this right shall remain in place for the actual duration of the Framework Agreement (until its termination in accordance with clause 13). This right of usage shall be granted to companies that carry out marketing activities for issuers of collateral-secured companies (hereinafter referred to as "Distribution Companies of the Issuer"), as soon as they have notified SSE of their intention to exercise this right by duly signing Appendix 7. The right of Distribution Companies of the Issuer to use the COSI Trademarks (in accordance with the previous sentence) shall automatically lapse upon termination of the right of usage for the Issuer pursuant to clause 9.1.2. By using the COSI Trademarks, neither the Issuer nor the Distribution Companies shall have the right to sub-license the COSI Trademarks. The Guarantor, who acts neither as the Issuer nor Distribution Company, shall not have the right to use the COSI Trademarks.

- 9.1.3 The Issuer guarantees that

- (a) in appealing to clients, no statements shall be made or information given that might result in COSIs being confused with investment funds, or that might mislead Investors;
- (b) in connection with COSIs, no reference shall be made to SIX Group or to individual SIX Group companies, to the Eurex Group or to individual Eurex Group companies, or to Scoach Switzerland Ltd, in any other way than is provided for in the Information Sheet and in the applicable rules on exchange trading, unless the company in question has given its written consent;
- (c) in marketing Collateral-Secured Certificates, the COSI Trademarks shall always appear together with the letter "R" in a circle (the symbol ®);
- (d) in using COSI Trademarks to market Collateral-Secured Certificates, the following text shall appear in an appropriate position in the documentation and in particular on the relevant termsheet, listing prospectus and issue prospectus,

irrespective of the language used in this documentation: "COSI® Collateral Secured Instruments – Investor Protection engineered by SIX Group";

- (e) in using a logo in any way whatsoever for Collateral-Secured Certificates, pursuant to Appendix 6, the logo shall only be used in the manner described in Appendix 6;
- (f) further to paragraphs (c) to (e) above, no company lettering or logos belonging to a SIX Group company, a Eurex Group company or to Scoach Switzerland Ltd shall be used to support the distribution of COSIs; and
- (g) further to paragraphs (c) to (e) above, no visual elements pertaining to a SIX Group company, a Eurex Group company or to Scoach Switzerland Ltd shall be used in the distribution documentation for COSIs.

9.2 Secondary listing of Collateral-Secured Certificates

- 9.2.1 Apart from the primary listing on SIX Swiss Exchange the Issuer may apply for a listing or admission to trading on one or more secondary exchanges. In particular, the secondary exchange may be located abroad.
- 9.2.2 The Issuer may only apply for a listing or admission to trading on a secondary exchange if the Collateral-Secured Certificate's termsheet (clause 15) contains the text block specified in clause 17.6 at the time of the primary listing on SSE. If the requirement set out in the first sentence of clause 9.2.2 is not met, the certificate in question may not be listed or admitted to trading on a secondary exchange.
- 9.2.3 The listing or admission to trading on a secondary exchange must relate to the same certificate (without any changes to the structure of the certificate) that is the subject of the Framework Agreement and primary listing on SSE. In particular, the certificate may not be listed or admitted to trading on the secondary exchange in a different or additional trading currency.
- 9.2.4 A Collateral-Secured Certificates may only be listed or admitted to trading on a secondary exchange or another relevant trading venue (hereinafter referred to collectively as "Secondary Exchanges") if the Secondary exchange is recognized by SSE. SSE shall maintain a list of recognized Secondary Exchanges, which is shall make available to Issuers. Further Secondary Exchanges may be added to the list of recognized Secondary Exchanges on the request of the Issuers. The decision on whether to recognize a Secondary Exchange is made at the discretion of SSE. SSE reserves the right to remove a Secondary Exchange from the list of recognized Secondary Exchanges at any time. If SSE removes a Secondary Exchange from the list of Secondary Exchanges, it shall disclose this to the Issuers of Collateral-Secured Certificates. The Secondary Exchange in question shall be removed from the list one calendar day after informing the Issuers. In accordance with the issuing conditions of Collateral-Secured Certificates, those Collateral-Secured Certificates already listed or traded on a Secondary Exchange that is removed from the list of recognized Secondary Exchanges are not affected by the removal from the list during their lifespan. After a Secondary Exchange has been removed from the list of recognized

Secondary Exchanges, Issuers may not make any further applications for Collateral-Secured Certificates to be listed or admitted to trading on the Secondary Exchange in question.

- 9.2.5 All aspects and events related to a listing or admission to trading on a Secondary Exchange shall be disregarded under the Framework Agreement (in particular the provisions of clause 11.1). As a result, the price of a Collateral-Secured Certificate that is set in listing or admitting to trading on a Secondary Exchange, in particular, shall have no impact on the current value of the certificate, as described by clause 4.1.2. In addition, the suspension of market making on a Secondary Exchange and the delisting of the certificates from a Secondary Exchange shall not be deemed a Realization Event under the Framework Agreement.
- 9.2.6 If a Realization Event occurs in accordance with clause 11.1.2, the Issuer shall immediately apply for a suspension of trading on all Secondary Exchanges in all its certificates collateralized under the Framework Agreement. Furthermore the Issuer shall immediately take steps to delist its Collateral-Secured Certificates from all Secondary Exchanges. The Issuer's obligations listed in clause 9.2.6 shall apply irrespective of the consequences for the certificates on the primary exchange in accordance with clause 11.2.9.
- 9.2.7 Irrespective of the obligations listed in clause 9.2.6, the Issuer and the Guarantor agree that (i) SSE can publicly disclose the occurrence of a Realization Event (clause 11.1.2) and the maturities of Collateral-Secured Certificates in accordance with the Framework Agreement in those countries where the certificate is listed or admitted to trading on a Secondary Exchange and (ii) SSE may inform the Secondary Exchanges or other bodies about such occurrences.
- 9.2.8 The Issuer shall comply in full with the requirements set out in clauses 15, 16 and 17 when a Collateral-Secured Certificate is listed or admitted to trading on a Secondary Exchange. In particular, the Issuer shall integrate the same text blocks as required under clauses 15, 16 and 17 and as used by the Issuer for the primary listing of the Collateral-Secured Certificate on SSE into the termsheets (and comparable documents) as well as into issue prospectuses and listing prospectuses that are used for listing and admission to trading on a Secondary Exchange or for the distribution of Collateral-Secured Certificates.

10 Information Sheet

- 10.1 SSE publishes an Information Sheet on Collateral-Secured Instruments. The Information Sheet current at the time this Framework Agreement is signed is reproduced in Appendix 3 to this Framework Agreement. The version of the Information Sheet valid at any given time forms an integral part of this Framework Agreement and may be downloaded from the SSE website (www.six-swiss-exchange.com). SSE shall send any changes to the Information Sheet to the Issuer and the Guarantor electronically.

10.2 The Issuer shall

- (a) devise the issuing conditions for COSIs, as well as all documentation intended for potential clients, in compliance with the Information Sheet and this Framework Agreement; and
- (b) include a reference to the SSE Information Sheet and this Framework Agreement in the issuing conditions for COSIs, as well as all documentation intended for potential clients.

10.3 The legal position of the Investor in respect of the collateralization of a financial instrument is determined by the provisions of this Framework Agreement, including its Appendices and the rules and regulations referred to herein (clause 18.1). The Information Sheet is intended to inform Investors of the major aspects of the collateralization of financial instruments. Should the Information Sheet contain any statements that deviate from the provisions of this Framework Agreement, then the provisions of this Framework Agreement shall take precedence in all regards.

11 Realization of Collateral and payment to Investors

11.1 Occurrence of a Realization Event

11.1.1 The Parties shall inform SSE immediately and in writing of any and all circumstances that give rise or might give rise to a Realization Event, unless this obligation is negated by statutory or regulatory provisions or the requirements of a competent authority.

11.1.2 A Realization Event occurs when

- (a) the Guarantor does not lodge the Collateral owed under this Framework Agreement, does not lodge it in good time, or the Collateral itself contains defects, unless those defects are remedied within three (3) Banking Days. The point decisive for the occurrence of a Realization Event shall be the first Banking Day after the grace period of three (3) working Days has expired unused;
- (b) the Issuer does not honor a payment or delivery commitment under a collateral-secured instrument when it falls due according to the issuing conditions, or does not honor such a commitment in good time or without defects, unless those defects are remedied within three (3) Banking Days. The point decisive for the occurrence of a Realization Event shall be the first Banking Day after the grace period of three (3) working Days has expired unused;
- (c) the Federal Financial Market Supervisory Authority ("FINMA") orders protective measures pursuant to Article 26 para. 1 (f) to (h) of the Federal Law on Banks and Savings Banks, restructuring measures or liquidation (insolvency) proceedings pursuant to Article 25 ff. of the Federal Law on Banks and Savings Banks (in association with Article 36a of the Federal Stock Exchange and

Securities Trading Act, where appropriate) against the Issuer or the Guarantor. The point decisive for the occurrence of a Realization Event shall be the date on which protective or restructuring measures are ordered or insolvency proceedings are commenced. Any prior knowledge on the part of SSE, SIX SIS or another SIX Group company of action planned by FINMA which might result in a Realization Event under this paragraph (c) is of no consequence to the occurrence of a Realization Event in any case;

- (d) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders measures comparable to those described in the foregoing paragraph (c). The point decisive for the occurrence of a Realization Event shall be the date on which the measures were ordered or insolvency proceedings or proceedings with a comparable effect are commenced;
- (e) the market making obligation (clause 8) is breached for ten (10) consecutive Banking Days ("Suspension Period"). The point decisive for the occurrence of a Realization Event shall be the first Banking Day after the Suspension Period has expired;
- (f) the Guarantor's participation in SIX SIS expires. The point decisive for the occurrence of a Realization Event shall be the first Banking Day after participation has expired;
- (g) the provisional admission of Collateral-Secured Instruments to trading lapses or is cancelled, and the Issuer fails to satisfy the Investors' claims under the financial instrument's issuing conditions within thirty (30) Banking Days of the lapse or cancellation of provisional admission to trading. The point decisive for the occurrence of a Realization Event shall be the first Banking Day after the expiry of the thirty (30) Banking Day period following the lapse or cancellation of provisional admission; or
- (h) the Collateral-Secured Instruments are delisted upon the application of the Issuer or for other reasons, and the Issuer fails to satisfy the Investors' claims under the financial instrument's issuing conditions within thirty (30) Banking Days following the last trading Day. The point decisive for the occurrence of a Realization Event shall be the first Banking Day after the expiry of the thirty (30) Banking Day period following the last trading Day for the COSIs.

11.1.3 A Realization Event may occur even (i) if the Issuer, Guarantor or market maker (clause 8) is not answerable for any fault and (ii) regardless of the degree of any fault of the Issuer, the Guarantor or the market maker.

11.1.4 SSE shall not be obliged to investigate the background to the occurrence of a Realization Event. In determining whether or not a Realization Event has occurred, SSE shall base its decision exclusively on reliable sources of information.

11.1.5 With binding effect on the Parties and the Investors, SSE shall determine (i) that circumstances be recorded as a Realization Event according to clause 11.1.2; and (ii) the time at which the Realization Event occurred.

11.1.6 A Realization Event cannot occur for as long as SIX SIS and SSE are unable to guarantee the technical processes relevant to the collateralization of financial instrument.

11.2 Procedure in case of a Realization Event

11.2.1 Should a Realization Event occur, the Collateral lodged for the collateralization of financial instruments under this Framework Agreement shall be realized by SSE. Legal and real obstacles remain reserved.

11.2.2 Should a Realization Event have occurred SSE shall be entitled, at its own discretion, to

(a) announce the occurrence of a Realization Event publicly in appropriate form either immediately or at a later date, in particular in a newspaper with a national distribution or on the SSE website;

(b) realize all existing Collateral privately either immediately or at a later date, regardless of the level of claims pursuant to clauses 11.3 and 11.4, provided applicable legal provisions or orders from the authorities do not prevent such a private realization. If private realization is not possible, SSE may deliver the Collateral to the competent person for realization.

11.2.3 Realization relates to all of the Issuer's COSIs that are subject to this Framework Agreements (clause 4.1.6). The details of the realization process shall be determined by SSE.

11.2.4 The Guarantor shall be notified in advance by SSE that the Collateral is to be realized. Such advance notification does not prevent immediate realization.

11.2.5 If a Realization Event has occurred, SSE shall determine the Current Values of all of the Issuer's COSIs in their individual trading currencies. The Current Values determined by SSE shall be binding on the Parties and on the Investors. The key values are the Current Values of the Collateral-Secured Instruments on the Banking Day immediately preceding the Day or Banking Day relevant to the occurrence of the Realization Event (clause 11.1.2).

11.2.6 If a Realization Event has occurred, SSE shall convert into Swiss francs the Current Value, as per clause 11.2.5, of COSIs that are traded in a currency other than the Swiss franc. These converted values are binding on the Parties and on the Investors. The determining exchange rates shall be those that apply under the SIX SIS Rules and Regulations on the Banking Day immediately preceding the Day or Banking Day relevant to the occurrence of the Realization Event (clause 11.1.2). The conversion of Current Values under this clause 11.2.6 relates to the scope and effects of the payment of pro-rata shares of Net Realization Proceeds by SSE to the Investors in

financial instruments with a trading currency other than the Swiss franc, but does not otherwise affect the relationship between the Investor and the Issuer (clause 11.4).

- 11.2.7 Should a further Realization Event occur after a previous Realization Event as per clause 11.1.2, but prior to the COSI falling due for redemption (clause 11.4.1), the first Realization Event is still the decisive factor in determining the Current Value of the COSIs.
- 11.2.8 A Realization Event cannot be remedied either before or after a COSI has fallen due (clause 11.4.1).
- 11.2.9 If a Realization Event has occurred, then (i) trading in all of the Issuer's COSIs under this Framework Agreement may be suspended, and (ii) the Issuer's COSIs may be delisted.

11.3 Realization proceeds and costs

- 11.3.1 Should the realization of Collateral result in proceeds denominated in a foreign currency, the broker shall pay the countervalue in Swiss francs to SSE.
- 11.3.2 SSE shall be entitled to use the entire proceeds from the realization of Collateral to satisfy all claims set out in clause 4.1.3. In determining the applicable Collateral Value as per clause 4.1.3, in the context of this clause 11.3.2 the determining value shall be the Current Value of the Collateral-Secured Instruments pursuant to clauses 11.2.5 and 11.2.6.
- 11.3.3 SSE shall be entitled to cover from the realization proceeds its own or third-party costs (including taxes, duties and fees for external consultants) that arise in connection with the realization of Collateral and the payment of the Net Realization Proceeds to the Investors before any other payments are made. To this end, SSE shall deduct a flat rate of 0.1 percent of the entire realization proceeds to cover its own processing costs and those of third parties. Should SSE, SIX SIS or third parties incur any extraordinary realization and distribution costs, SSE may also deduct these additional costs from the realization proceeds, before any other payments are made.
- 11.3.4 SSE and SIX SIS shall be entitled to satisfy their claims against the Issuer and the Guarantor under this Framework Agreement (including Fee claims pursuant to clause 7) from the realization proceeds before any other payments are made.
- 11.3.5 The remaining Net Realization Proceeds shall be available for payment to the Investors in the Issuer's COSIs.

11.4 Maturity of Collateral-Secured Instruments and payment of Net Realization Proceeds

- 11.4.1 Unless they have already fallen due for redemption, all of the Issuer's financial instruments that are collateralized under this Framework Agreement shall mature thirty (30) Banking Days after a Realization Event has occurred (clause 11.1.2).

- 11.4.2 SSE shall publicly announce the date on which the Collateral-Secured Instruments, and their Current Values (clause 11.2.5) in a newspaper with a national distribution, as well as on the SSE website. The value of the instruments, as established in accordance with clause 11.2.6, as well as the applicable exchange rates, shall be announced in the same way.
- 11.4.3 The Investors' claims against the Issuer when the COSIs mature under the terms of this Framework Agreement are determined by the Current Values of the instruments pursuant to clause 11.2.5.
- 11.4.4 Each Investor has a maximum claim against SSE (clauses 1.4 and 4.2.6) amounting to that share of the Net Realization Proceeds of the Collateral, as per clause 11.3, that corresponds to the total Current Values of their COSIs under this Framework Agreement. In the case of COSIs in a trading currency other than the Swiss franc, the Investor's claim under this clause 11.4.4 is determined by the value of the instruments as described in clause 11.2.6.
- 11.4.5 Should the Current Values held by all Investors in the Issuer's COSIs exceed the Net Realization Proceeds, SSE shall pay out the pro-rata shares of Net Realization Proceeds to the individual Investors in accordance with the individual Investors' total Current Values as a proportion of the sum total of Current Values held by all Investors in the Issuer's COSIs. In the case of financial instruments in a trading currency other than the Swiss franc, the Investor's claim under this clause 11.4.5 is determined by the value of the instruments as described in clause 11.2.6.
- 11.4.6 Should the Net Realization Proceeds exceed the total Current Values held by all Investors in the Issuer's COSIs, that portion of the Net Realization Proceeds which remains after the settlement of (i) all Investor claims and (ii) any further collateralized claims under clause 4.1.3 that have not been satisfied in advance from the realization proceeds, shall be paid out to the Guarantor.
- 11.4.7 SSE shall transfer the Net Realization Proceeds to the Investors. Such transfer shall release SIX SIS participants from any and all further obligations in this regard. The transfer of the pro-rata shares of the Net Realization Proceeds shall be determined by the holdings in COSIs that are booked to the participants' accounts with SIX SIS. SSE and SIX SIS shall be liable only for the careful instruction of SIX SIS participants. Clause 12.1 shall apply.
- 11.4.8 If the Issuer which is affected by the Maturity of their COSIs under this Framework Agreement is a participant in SIX SIS, then SSE and SIX SIS shall determine a separate procedure for the payment of the pro-rata shares of Net Realization Proceeds to those Investors who hold their COSIs via the Issuer. SSE may transfer the pro-rata shares of the realization proceeds accruing to these Investors in COSIs to one or more participants in SIX SIS or to one or more third parties, which shall then directly or indirectly instigate payments to these Investors. Such transfer on the part of SSE releases it from any further obligation in this regard. SSE may decide at its own discretion to have the payment of the pro-rata shares of the Net Realization Proceeds to further or to all Investors in COSIs undertaken by one or more other participants in SIX SIS or by one more third parties. In such cases SSE shall transfer

the pro-rata shares of Net Realization Proceeds to these other SIX SIS participants or to third parties and thereby discharge itself from any further obligation in this regard. In the context of this clause 11.4.8, SSE and SIX SIS are liable only for the careful selection and instruction of another SIX SIS participant or a third party. Clause 12.1 shall apply.

- 11.4.9 Payments by SSE to Investors shall be made exclusively in Swiss francs. The payment of pro-rata Net Realization Proceeds (clauses 11.4.4 and 11.4.5) by SSE to the Investors, in accordance with clauses 11.4.7 and 11.4.8 discharges the Investors' claims against the Issuer that related to the Collateral-Secured Instruments (clause 11.4.3) in an amount corresponding to that payment. In the case of instruments in trading currencies other than the Swiss franc, the extent to which the Investors' claims against the Issuer (clause 11.4.3) are discharged pursuant to this clause 11.4.9 is determined by the exchange rates between the trading currency of the instruments in question and the Swiss franc, in accordance with clause 11.2.6. The determining date on which Investor claims are discharged under this clause 11.4.9 shall be the date on which the pro-rata shares of Net Realization Proceeds are transferred by SSE to the SIX SIS participants or third parties in accordance with clauses 11.4.7 and 11.4.8. SSE shall announce this date publicly pursuant to clause 11.4.2.
- 11.4.10 No interest shall be paid on the Investors' claims against SSE, which correspond to their pro-rata shares of Net Realization Proceeds. SSE shall not owe any default interest to the Investor on the payment of the pro-rata share of Net Realization Proceeds, neither shall SSE be liable to the Investors for any further damages whatsoever. No other or further claims of any nature may be made against SSE, SIX SIS, the participants of SIX SIS (clauses 11.4.7 and 11.4.8) or third parties (clause 11.4.8).
- 11.4.11 The payment of the pro-rata shares of Net Realization Proceeds to the Investors (clause 11.4.9) shall discharge any outstanding claims that SSE may have against the Guarantor in connection with the collateralization of financial instruments, as described in clause 4.1.3. This clause 11.4.11 does not affect the application of the remaining Net Realization Proceeds as laid down in clause 11.4.6 once the pro-rata shares of Net Realization Proceeds have been paid out to the Investors.

12 Liability

- 12.1 The Parties shall be liable to pay damages only in the event of gross negligence or intentional misconduct. Any and all further liability for damages is hereby excluded.
- 12.2 The Issuer shall be liable to SSE and SIX SIS for any direct or indirect loss arising as a result of incorrect confirmations as per clause 16.4 or Appendix 4 to this Framework Agreement.
- 12.3 In the case of third parties engaged by SSE to value the financial instruments, SSE shall be liable only for a lack of due care in selecting and instructing the third party.

13 Duration and cancellation of the Agreement

- 13.1 This Framework Agreement is concluded for an indefinite period. It may be cancelled by any Party subject to a period of notice of thirty (30) Days, effective at the end of a calendar month. Termination by one Party shall be notified in writing to the other Parties.
- 13.2 SSE shall have the right to terminate this Framework Agreement without notice should a Realization Event occur (clause 11.1.2).
- 13.3 Financial instruments which had been collateralized according to the terms of this Framework Agreement prior to its cancellation, the term of which extends beyond the date on which the Agreement is cancelled, remain subject in full to the provisions of this Framework Agreement.

14 Amendments to the Agreement

- 14.1 Unless this Framework Agreement explicitly states otherwise, amendments or additions to this Framework Agreement shall be made in writing and shall require the written consent of all Parties. This also applies to the present clause 14.1.

15 Requirements for the termsheet and for documents of similar function

- 15.1 The Issuer shall integrate the following text module about the collateralization of a financial instrument into the [termsheet] that is used in the distribution of the COSI:

Collateralization [Product] (hereinafter ["COSI"]) is collateralized in accordance with the provisions of the SIX Swiss Exchange "Framework Agreement for Collateral-Secured Instruments" (hereinafter "Framework Agreement"). [The Issuer concluded the Framework Agreement on [●date] und undertook to secure the value of the [COSIs] in favor of SIX Swiss Exchange at any time.] [The Issuer concluded the Framework Agreement with [●identity] (hereinafter "Guarantor") on [●date], and the Guarantor is obliged to secure the Current Value of the [COSIs] in favor of SIX Swiss Exchange at any given time.] The rights of Investors in connection with the collateralization of the [instruments] arise from this Framework Agreement. The principles of collateralization are summarized in an [Information Sheet] issued by SIX Swiss Exchange. This [Information Sheet] is available from the www.six-swiss-exchange.com website. The Issuer shall, upon request, provide the Framework Agreement to Investors free of charge in the original German version or as an English translation. The Framework Agreement may be obtained [via/from].

- 15.2 The Issuer shall also integrate the [termsheet] text module that is reproduced in clause 15.1 in documents with a comparable function (such as indicative termsheets and information memoranda).
- 15.3 The Issuer is not permitted to amend, delete or add to the text block given in clause 15.1. The Issuer is also forbidden to integrate any further statements on the collateralization of a certificate in the [termsheet]. Clause 15.4 and clause 17 remain reserved. The term "structured product" may be used.
- 15.4 In the [termsheet], the Issuer shall inform investors that [COSIs] do not constitute collective investment schemes in the sense of the Federal Collective Investment Schemes Act (CISA) and that, as a result, the [certificates] are not subject to mandatory authorization and supervision by the Swiss Federal Financial Market Supervisory Authority (FINMA).

16 Requirements for the listing prospectus and the issuing prospectus

- 16.1** The Issuer shall integrate the following text module about the collateralization of a certificate in a separate [clause] of the listing prospectus:

Collateralization of the [product]

[Product] (hereinafter [«COSI»]) is collateralized in accordance with the terms of the SIX Swiss Exchange «Framework Agreement for Collateral Secured Instruments». [●] («Collateral Provider») undertakes to secure the value of the [COSI] at any given time as well as the further claims listed in the Framework Agreement.

Security must be provided to SIX Swiss Exchange in the form of a regular right of lien. The collateral is booked to a SIX Swiss Exchange account with SIX SIS. Investors do not themselves have a surety right to the collateral. The [COSI] and the collateral shall be valued on each banking day. The Collateral Provider shall be obliged to adjust the collateral to any changes in value. Permitted forms of collateral shall be selected by SIX Swiss Exchange on an ongoing basis from various categories of securities. The issuer shall, upon enquiry, inform investors about the collateral that is permitted as security for the [COSI] at any given time. The Collateral Provider shall pay SIX Swiss Exchange a fee for the service regarding the collateralization of the [COSI]. A change of Collateral Provider shall be notified in accordance with the provisions of this [listing prospectus].

Documentation. *The collateralization in favour of SIX Swiss Exchange is based on the «Framework Agreement for Collateral Secured Instruments» between SIX Swiss Exchange, SIX SIS, the issuer and the [Collateral Provider] dated [date] («Framework Agreement»). The investor is not party to the Framework Agreement. **The Framework Agreement constitutes an integral part of this [listing prospectus].** In the event of any contradiction between the provisions of this [listing prospectus] and the Framework Agreement, the Framework Agreement takes precedence. The issuer shall, upon request, provide the Framework Agreement to investors free of charge in the original German version or in an English translation. The Framework Agreement may be obtained [at/from]. The core*

elements of collateralization of the [COSI] are summarized in a SIX Swiss Exchange information sheet, which is available at «www.six-swiss-exchange.com».

Collateralization method. The collateral that must be furnished by the Collateral Provider is determined by the value of the COSI at any given time (hereinafter «Current Value»). The Current Values shall be determined in the trading currency of the [COSI] and converted into Swiss francs for the purpose of calculating the required collateral. The method for calculating the Current Value shall be determined for each [COSI] upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the [COSI]. If prices for the [COSI] calculated by third parties are available (so-called «Fair Values»), they are taken into account when determining the Current Value in accordance with the provisions of the rules and regulations of SIX Swiss Exchange. Otherwise, the determination of the Current Value will take into account the «bond floor pricing», as defined by the Swiss Federal Tax Administration, Berne (Switzerland). For as long as no bond floor is available for a [COSI] that is subject to bond floor pricing, the Current Value shall correspond at least to the capital protection laid down in the redemption terms for the [COSI]. If the final bid-side purchase price of the [COSI] on the previous trading day on Scoach Switzerland is higher, the collateral requirement shall always be based on this latter price. If the aforementioned prices for [COSI] are unavailable at any given time, then other prices shall be used to calculate the required collateral, in accordance with the rules and regulations of SIX Swiss Exchange. The Current Values required for the collateralization of the [COSI] shall be determined exclusively in accordance with the provisions of the «Special Conditions for Collateral Secured Instruments» of SIX Swiss Exchange. The Current Value of [product] shall be determined according to [Method A: Fair Value Method] [Method B: Bond Floor Method] of these Special Conditions of SIX Swiss Exchange [including the respective accrued interest].

Distribution and market making. The distribution of the [COSI] shall be the responsibility of the issuer. The issuer undertakes to ensure that market making for the [COSI] is in place.

Risks. Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Liquidation Event (less the costs of liquidation and payout) are able to meet the investors' claims. The investor bears the following risks, among others: (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the [COSI] rises or the value of the collateral decreases; (ii) in a Liquidation Event, the collateral cannot be liquidated immediately by SIX Swiss Exchange because of factual hindrances or because the collateral must be handed over to the executory authorities for liquidation (iii) the market risk associated with the collateral results in insufficient liquidation proceeds or, in extreme circumstances, the collateral might lose its value entirely until the liquidation can take place; (iv) the maturity of [COSI] in a foreign currency according to the Framework Agreement may result in losses for the investor because the Current Value (determinant for the investor's claim against the issuer) is set in the foreign currency, while payment of the pro-rata share of net liquidation proceeds (determinant for the extent to which the investor's claim against the issuer is satisfied) is made in Swiss francs; (v) the collateralization is challenged according to the laws governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated according to the terms of the Framework Agreement for the benefit of the investors in [COSI].

Liquidation of collateral. If the Collateral Provider fails to fulfill its obligations, the collateral will be liquidated by SIX Swiss Exchange or a liquidator under the terms of the

applicable legal regulations. The collateral may be liquidated («Liquidation Events») if (i) the Collateral Provider fails to furnish the required collateral, fails to do so in due time, or if the collateral that is provided is not free from defects, unless any such defect is remedied within three (3) banking days; (ii) the issuer fails to fulfill a payment or delivery obligation under a [COSI] upon maturity according to the issuing conditions, fails to do so in due time, or if its fulfillment of such obligations is defective, unless any such defect is remedied within three (3) banking days; (iii) the Swiss Financial Market Supervisory Authority FINMA orders protective measures with regard to the issuer or the Collateral Provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or the liquidation (winding-up proceedings) under Article 25 et seq. of the Federal Act on Banks and Savings Banks; (iv) a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with that described in item (iii) above; (v) the market making obligation is breached for ten (10) consecutive banking days; (vi) the Collateral Provider's participation at SIX SIS ceases; (vii) the provisional admission of the [COSI] to trading lapses or is cancelled and the issuer fails to satisfy investors' claims according to the issuing conditions of the [COSI] within thirty (30) banking days of the lapse or cancellation of the provisional admission; or (viii) the [COSI] are delisted upon application by the issuer or for any other reason, and the issuer fails to satisfy investors' claims according to the issuing conditions of the [COSI] within thirty (30) banking days of the last trading day. The Framework Agreement provides for the exact time at which each Liquidation Event occurs. The remedy of a Liquidation Event is not possible.

Determination of a Liquidation Event. SIX Swiss Exchange is not required to undertake investigations with regard to the occurrence of a Liquidation Event. In determining the occurrence of a Liquidation Event, it bases its decision on reliable sources of information only. SIX Swiss Exchange determines with binding effect for the investors that an incident qualifies as a Liquidation Event and at what point in time the Liquidation Event occurred.

Procedure in case of a Liquidation Event. If a Liquidation Event occurs, SIX Swiss Exchange is at its own discretion entitled: (i) to make public the occurrence of a Liquidation Event immediately or at a later stage in suitable form, specifically in a newspaper with a national distribution and on the SIX Swiss Exchange website; as well as (ii) to liquidate immediately or at a later stage – without regard to the amount of unsatisfied claims – all existing collateral on a private basis, provided the applicable legal regulations or regulatory orders do not prohibit such private liquidation (and, if a private liquidation is not possible, hand the collateral over to the competent person for liquidation). Once a Liquidation Event has occurred, trading in all [COSI] of the issuer may be suspended, and the [COSI] of the issuer may be delisted.

Maturity of the [COSI] as well as investors' claims against SIX Swiss Exchange and the issuer. All of the issuer's [COSI] under the Framework Agreement shall fall due for redemption thirty (30) banking days after a Liquidation Event has occurred. SIX Swiss Exchange shall make public the due date in a newspaper with a national distribution, as well as on the SIX Swiss Exchange website. **Investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds** arise automatically only once the [COSI] have fallen due for redemption. Investors' claims against SIX Swiss Exchange are based on a genuine contract in favor of third parties (Article 112 paragraph 2 of the Swiss Code of Obligations) which is irrevocable on the part of the Collateral Provider.

The acquisition of a [COSI] by an investor automatically entails the declaration vis-à-vis SIX Swiss Exchange, as described in Art. 112 paragraph 3 of the Swiss Code of Obligations, that he wishes to enforce his right under the Framework Agreement at maturity of the [COSI]. In dealings with SIX Swiss Exchange and SIX SIS, the investors are bound by the provisions of the Framework Agreement, specifically the **choice of Swiss law and the exclusive jurisdiction of the Commercial Court of Canton Zurich (Switzerland)**.

If a Liquidation Event has occurred, SIX Swiss Exchange will determine the Current Values of all [COSI] of the issuer in the respective trading currency with binding effect for the issuer, the Collateral Provider and the investors. **Investors' claims against the issuer** will be based on these Current Values when the [COSI] mature in accordance with the Framework Agreement. The Current Values of the [COSI] on the banking day immediately preceding the date on which the Liquidation Event occurred shall be applicable. SIX Swiss Exchange shall make public the applicable Current Values of the [COSI].

Costs of liquidation and payout for the benefit of the investors. The costs incurred in connection with the liquidation and payout (including taxes and duties, as well as consulting fees) shall, in advance, be covered out of the proceeds of the liquidation of the collateral. For this purpose, SIX Swiss Exchange shall deduct a flat-rate fee of 0.1 percent from the entire liquidation proceeds for its own expenses and for the expenses of third parties. In addition, SIX Swiss Exchange shall be entitled to satisfy, in advance out of the proceeds of the liquidation of the collateral, any outstanding claims it holds against the Collateral Provider and the issuer under the terms of the Framework Agreement. The remaining net liquidation proceeds are available for payout to the investors in [COSI] of the issuer.

SIX Swiss Exchange will transfer the pro-rata share of net liquidation proceeds due to investors to SIX SIS participants. In doing so, it is released from all further obligations. The amounts transferred are determined by the holdings of [COSI] that are booked to participant accounts with SIX SIS. If the issuer which, according to the Framework Agreement, is affected by the maturity of its [COSI], is a SIX SIS participant, then SIX Swiss Exchange and SIX SIS shall decide on a separate procedure for the payment of the pro-rata share of net liquidation proceeds to those investors who hold their [COSI] via the issuer. SIX Swiss Exchange may transfer the pro-rata share of net liquidation proceeds for these investors to one or more other SIX SIS participants or to one or more third parties, which will attend to the payment to investors in [COSI] either directly or indirectly. In doing so, SIX Swiss Exchange is released from all further obligations. SIX Swiss Exchange may decide at its own discretion to have the payment of the pro-rata share of net liquidation proceeds for other or all investors in [COSI] conducted by one or more other SIX SIS participants or by one or more third parties.

The payouts to investors are made exclusively in Swiss francs. The claim of the investors is non-interest-bearing. SIX Swiss Exchange is not liable to pay either default interest or damages should the payout be delayed for any reason.

The maximum claim of an investor to satisfaction from the net liquidation proceeds of collateral is determined by the sum of the Current Values of his [COSI]. Should the combined Current Values of all investors in the issuer's [COSI] exceed the net liquidation proceeds, payment of pro-rata shares of net liquidation proceeds to individual investors will be made according to the ratio between the total Current Values held by individual investors and the total Current Values accruing to all investors in [COSI] of the issuer.

In the case of [COSI] in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the Current Values into Swiss francs in order to determine the pro-rata share of net liquidation proceeds. The exchange rates according to the rules and regulations of SIX SIS on the banking day immediately preceding the date on which the Liquidation Event occurred, shall be applicable. The conversion of the Current Values of [COSI] of a different trading currency than the Swiss franc pertains only to the amount and the effect of the payout of pro-rata net liquidation proceeds by SIX Swiss Exchange to investors in such [COSI] and shall have no further effect on the relationship between the investor and the issuer. SIX Swiss Exchange shall make public these values of the [COSI] as well as the applicable exchange rates.

The investors' claims against the issuer arising from the [COSI] are reduced by the amount of the payment of the pro-rata net liquidation proceeds. In the case of [COSI] of a different trading currency than the Swiss franc the reduction amount of the claim of the investor against the issuer shall be determined in accordance with the conversion rate of the particular trading currency of the [COSI] to the Swiss franc applicable on the banking day immediately preceding the date on which the Liquidation Event occurred.

No further investor claims exist against SIX Swiss Exchange, SIX SIS or other persons which are involved in the collateralization service for [COSI] under the terms of the Framework Agreement.

Secondary listing. *Apart from the primary listing of the [COSI] on SIX Swiss Exchange the issuer may apply for a listing or admission to trading on one or more secondary exchanges. All aspects and events related to listing or admission to trading of the [COSI] on a secondary exchange shall be disregarded under the Framework Agreement. In particular, prices of the [COSI] on secondary exchanges are not taken into consideration for the calculation of the Current Value and events which are related to a listing or admission to trading of the [COSI] on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the [COSI] from a secondary exchange, shall not be deemed a Liquidation Event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a Liquidation Event and the maturity of the [COSI] pursuant to the Framework Agreement in the countries where a listing or admission to trading of the [COSI] on a secondary exchange is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.*

Liability. *The liability of parties to the Framework Agreement to pay damages exists only in cases of gross negligence or intentional misconduct. Further liability is excluded. SIX Swiss Exchange shall only be liable for third parties, which are mandated with the valuation of [COSI], in case of improper selection and instruction of such third parties. Where the payment of pro-rata shares of net liquidation proceeds of [COSI] is made via SIX SIS participants to the extent these participants hold the [COSI] in accounts at SIX SIS, SIX Swiss Exchange and SIX SIS are liable only for the careful instruction of these SIX SIS participants. If the payment is made via third parties or via SIX SIS participants in respect of [COSI] that are not booked to these participants' accounts at SIX SIS, then SIX Swiss Exchange and SIX SIS are liable only for the careful selection and instruction.*

No authorisation. [COSI] do not constitute collective investment schemes pursuant to the Federal Act on Collective Investment Schemes (CISA). They do not require authorization or supervision by the Swiss Financial Market Supervisory Authority FINMA.

Congruence with the [listing prospectus]. This [clause 16.1] corresponds to the SIX Swiss Exchange standard text. The terms contained herein are incorporated as follows in the [listing prospectus]: [To be completed by the issuer: A concordance table or explanations from the issuer on any terminological differences between the SIX Swiss Exchange standard text and the way in which terms are used in the other paragraphs of the [listing prospectus]]. The provisions of this [clause 16.1] take precedence in the event of contradiction between this [clause 16.1] and the other content of the [listing prospectus].

[Alternatively, the issuer may use the following wording for the last paragraph of clause 16.1:] **Congruence with the [listing prospectus].** This [clause 16.1] corresponds to the SIX Swiss Exchange standard text. The provisions of this [clause 16.1] take precedence in the event of contradiction between this [clause 16.1] and the other content of the [listing prospectus].

- 16.2 It is mandatory that the text module reproduced in clause 16.1 be used with one of the two standard "Congruence with the [listing prospectus]" texts. The Issuer is not permitted to amend, delete or add to the text block given in clause 16.1. The Issuer is also forbidden to integrate any further statements on the collateralization of a certificate in the listing prospectus. Clause 17 remains reserved. The term "structured product" may be used.
- 16.3 The text module reproduced in clause 16.1 shall also be integrated in the listing prospectus for a COSI, as well as in each document with a comparable function, irrespective of whether the COSI is based on a stand-alone prospectus, a pricing supplement to an issuance program, or a comparable document.
- 16.4 For each COSI, the Issuer shall provide the confirmations reproduced in Appendix 4 to SSE and SIX SIS. The Issuer shall submit this duly signed declaration to SIX Exchange Regulation when it submits the listing prospectus.

17 Additional text modules for the documentation on Collateral-Secured Instruments

- 17.1 In addition to the mandatory text modules prescribed in clauses 15.1 and 16.1, the Issuer may also include the following blocks of text in the relevant documents. In the documents stipulated in clauses 15 and 16, the text modules set out in clauses 17.2 to 17.6 may be reproduced in the same clause as the text blocks prescribed in clauses 15.1 and 16.1, or in another location. The Issuer may choose to use the text modules set out in clauses 17.2 to 17.6 individually, in any combination, or in their entirety. The text modules stipulated in this clause 17 may be used in the documents specified in clause 15 and/or those specified clause 16, as the Issuer wishes.

- 17.2 *The costs for the service provided by SIX Swiss Exchange with respect to the collateralization of [COSI] may be taken into account in pricing a [COSI] and may therefore be borne by the Investors, as the case may be.*
- 17.3 *With regard to the payment of the pro-rata share of the Net Realization Proceeds the Investor shall bear the solvency risks of SIX Swiss Exchange and the financial intermediaries along the payout chain.*
- 17.4 *The payment to the Investors may be delayed for factual or legal reasons.*
- 17.5 *To the extent the calculation of the Current Value of a [COSI] proves to be incorrect, the Collateral provided for the [COSI] may be insufficient.*
- 17.6 *Apart from the primary listing of the [COSI] on SIX Swiss Exchange the issuer may apply for a listing or admission to trading on one or more secondary exchanges. All aspects and events related to a listing or admission to trading of the [COSI] on a secondary exchange shall be disregarded under the Framework Agreement. In particular, events which are related to a listing or admission to trading of the [COSI] on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the [COSI] from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the [COSI] pursuant to the Framework Agreement in the countries where a listing or admission to trading of the [COSI] on a secondary exchange is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.*
- 17.7 The Issuer may not make any changes, deletions or additions to the individual text modules set out under clauses 17.2 to 17.6. Furthermore, notwithstanding clauses 15.1 and 16.1, the Issuer may not integrate any statements on the collateralization of financial instruments that are not set out under clause 17 into the documents listed in clauses 15 or 16. The term "structured product" may be used in the context of the text modules laid down in this clause 17.

18 General provisions

- 18.1 Appendices 1 to 7 to this Framework Agreement, as well as the SSE Rules and the SIX SIS Rules and Regulations shall constitute an integral part of this Framework Agreement. SSE shall be entitled to amend Appendices 1, 3, 4, 6 and 7 to this Framework Agreement, such amendments being effective for the other Parties. Amendments enter into effect thirty (30) Days after they have been announced. Changes to the SSE Rules and the SIX SIS Rules and Regulations shall be subject to the provisions of those Rules and Regulations.
- 18.2 The Issuer and Guarantor shall report any change in contact details, as per Appendix 5, immediately to SSE.

- 18.3 SSE may amend the text blocks defined in clauses 15.1 and 16.1 to changing circumstances without the approval of the other parties, provided such amendments are not associated with any significant changes in the rights and obligations of the Parties under this Framework Agreement. SSE may amend, expand or reduce the additional text modules under clause 17 at any time.
- 18.4 The set-off of claims by the Issuer or the Guarantor under this Framework Agreement shall require the prior written consent of the Parties affected by such set-off in the individual case in question.
- 18.5 This Framework Agreement shall be deemed established as soon as it has been signed by all the Parties.
- 18.6 Unless expressly stipulated otherwise in this Framework Agreement, the assignment by the Issuer or the Guarantor of (i) individual rights and obligations arising from this Framework Agreement and (ii) this Framework Agreement in its entirety, shall require the written consent of all Parties.
- 18.7 SSE shall be entitled, without the consent of the other Parties to this Framework Agreement, to assign the claim for which the Guarantor must provide Collateral (clause 4.1.3), including the attendant security interest, and/or some or all of the Collateral to other SIX Group companies.
- 18.8 Furthermore, SSE and SIX SIS shall be entitled, without the consent of the other Parties to this Framework Agreement, to assign individual rights and obligations arising from this Framework Agreement, or this Framework Agreement in its entirety, to one or more third parties.
- 18.9 Should one or more of the provisions of this Framework Agreement be wholly or partially invalid, ineffective, or unenforceable for any other reason, the validity of the other provisions of this Framework Agreement shall remain unaffected. The invalid, ineffective or unenforceable provision shall be replaced by a valid, effective or enforceable provision that reflects as closely as possible the original intention of the Parties and the invalid, ineffective or unenforceable provision. This rule applies by analogy to any gaps or loopholes in this Framework Agreement.
- 18.10 The non-exercise or delayed exercise of a right under this Framework Agreement shall not be deemed a waiver of the exercise of that right, and the partial exercise of a right shall not rule out any further or other exercise of that right. Furthermore, the exercise of an individual right shall not rule out the exercise of another right.
- 18.11 Any reference in this Framework Agreement to a given clause relates to a clause in this Framework Agreement.

19 Definitions

- 19.1 Should there be any discrepancy between the terminology used in the above clauses 1 to 18 of this Framework Agreement and the following definitions given under

clauses 19.2 to 19.26, the terminology used in the individual clauses 1 to 18 shall take precedence.

19.2	Current Value	The value of a Collateral-Secured Instrument in its particular trading currency, as determined by SSE at a given point in time on the basis of the "Special Provisions Governing Collateral-Secured Instruments" (clauses 4.1 and 11.2.5).
19.3	Other SIX SIS Participant(s)	SIX SIS participants to which a pro-rata share of net realization proceeds is transferred in accordance with clause 11.4.8, without this/these participant(s) having a corresponding holding of Collateral-Secured Instruments.
19.4	Investors	Investors in Collateral-Secured Instruments that are subject to this Framework Agreement.
19.5	Banking Day	Any Day on which business offices in Zurich (Switzerland) are open for the conclusion and settlement of collateralization transactions under this Framework Agreement.
19.6	Collateral Value	The sum of the Current Values of all of the financial instruments for which a Guarantor must provide Collateral under this Framework Agreement, expressed in Swiss francs.
19.7	Issuer	The Party designated as the Issuer on the cover page of this Framework Agreement.
19.8	Eurex Group	All companies that are controlled directly or indirectly by Eurex Zurich Ltd.
19.9	Maturity	The Maturity date of the Collateral-Secured Instruments under this Framework Agreement (clause 11.4.1), giving rise to a claim on the part of the Investors to the payment of pro-rata shares of Net Realization Proceeds (clauses 1.4 and 4.2.6).
19.10	Fee	Remuneration in favor of SSE under this Framework Agreement, as set out in clause 7.
19.11	Haircut	A Haircut reduces the attributable value of Collateral and is expressed as a percentage. It is used to hedge the price risk attached to Collateral. The figure attributed to the Collateral as its Collateral Value constitutes the market value (100%) minus the Haircut.
19.12	[Intentionally left blank]	
19.13	Information Sheet	The Information Sheet on Collateral-Secured Instruments, in accordance with the document issued by SSE. The latest

version at any given time can be accessed via www.six-swiss-exchange.com.

19.14	Margin Call	Communication to the Guarantor that a shortfall in the cover used in the collateralization of financial instruments must be remedied by the delivery of additional Collateral.
19.15	Margin Return	A transaction undertaken to balance an excess in the cover used in the collateralization of financial instruments.
19.16	Margin Threshold	A threshold figure of CHF 100,000. A Margin Call/Return is triggered if this figure is exceeded.
19.17	Net Realization Proceeds	The proceeds from the realization of Collateral, as laid down in clause 11.3 of this Framework Agreement, that is available for payment to the Investors.
19.18	Collateral-Secured Instruments (COSIs)	Certificates that are collateralized under this Framework Agreement.
19.19	Framework Agreement	The present Framework Agreement for Collateral-Secured Instruments, including <u>Appendices 1 to 5</u> and the rules and regulations to which the Framework Agreement refers (clause 18.1).
19.20	SSE Rules	The CONNEXOR® Listing license agreement, the CONNEXOR® Listing provisions and the SIX Swiss Exchange Ltd "Special Provisions Governing Collateral-Secured Instruments", and the SIX Swiss Exchange Ltd "Special Provisions for the Internet-Based Admission of Securities".
19.21	SIX SIS Rules and Regulations	The SIX SIS Ltd Service Agreement, the SIX SIS Ltd COSI ServiceGuide, the General Conditions of SIX SIS Ltd, and those rules and regulations referred to in the General Conditions of SIX SIS Ltd.
19.22	Collateral	Any security for Collateral-Secured Instruments that is accepted by SSE, as set out in <u>Appendix 2</u> to this Framework Agreement.
19.23	Guarantor	The Party designated as the Guarantor on the cover page of this Framework Agreement, or a new Party to this Framework Agreement that has assumed the function of the previous Guarantor (clause 4.10).
19.24	SIX Group	All companies controlled directly or indirectly by SIX Group Ltd.

- 19.25 Day Calendar Day.
- 19.26 Realization Event Event as described in clause 11.1.2 of this Framework Agreement.

20 Languages

- 20.1 The Framework Agreement, Information Sheet and text modules laid down in clauses 15.1 and 16.1, as well as clauses 17.2 to 17.6, may be used only in the language versions provided by SSE. Should the Issuer intend to inform clients in another language, the full wording of a translation in that language must be approved in advance by SSE. The Framework Agreement may be given to interested persons only if it contains the approved wording (clause 2.4). The costs incurred by SSE, including the costs of external consultants, shall be borne in full by the Issuer.
- 20.2 This Framework Agreement is made available by SSE in a German original version and as an English translation. The wording of the original German version takes precedence over that of any other language version.

21 Applicable law and place of jurisdiction

- 21.1 This Framework Agreement and all collateralizations of financial instruments agreed and effected on the basis of this Framework Agreement shall be subject to **Swiss law** to the exclusion of the rules of international private law.
- 21.2 The **Commercial Court of the Canton of Zurich (Switzerland)** shall have exclusive jurisdiction over any disputes arising from this Framework Agreement.
- 21.3 SSE and SIX SIS shall nonetheless be authorized additionally to enforce their rights at the domicile of the Issuer, the Guarantor or before any other competent authority or before any other competent court. Swiss law shall remain applicable exclusively in all such cases.

SIX Swiss Exchange Ltd

Date: _____

[Issuer]

Date: _____

SIX SIS Ltd

Date: _____

[Guarantor]

Date: _____

APPENDIX 1 TO THE FRAMEWORK AGREEMENT FOR COLLATERAL-SECURED INSTRUMENTS

The financial instruments which may be collateralized in accordance with the Framework Agreement are subject to the following restrictions.

(1) The term of a Collateral-secured instrument shall be no longer than ten (10) years.

(2) Eligible trading currencies are:

Swiss francs	CHF
Euros	EUR
British pounds	GBP
Japanese yen	JPY
US dollars	USD

Additional trading currencies shall be approved on request by Issuers. SSE shall make any such decisions at its own discretion.

(3) In the case of financial instruments with a fair value that is subject to Method A of the "Special Provisions Governing Collateral-Secured Instruments", eligible underlyings are restricted to those for which a price is available via Telekurs, Reuters or Bloomberg.

APPENDIX 2 TO THE FRAMEWORK AGREEMENT FOR COLLATERAL-SECURED INSTRUMENTS

The following Collateral may be provided for the collateralization of financial instruments:

Categories of Collateral¹	Applicable attributable value⁴
Collateral accepted by the SNB ^{1, 2}	98%
Collateral accepted by the ECB ¹	95%
Equities ^{1, 3}	90%
Bank money (CHF, EUR, GBP, JPY, USD)	100%

¹ SSE shall determine at its own discretion which Collateral from the categories mentioned above may be provided for the collateralization of financial instruments. The selection by SSE of specific Collateral from the different categories of Collateral stated above does not constitute an amendment to this Appendix 2 (clause 18.1 of the Framework Agreement). ECB is the acronym for the "European Central Bank".

² In accordance with the "Instruction sheet on Collateral eligible for SNB repos" issued by the Swiss National Bank (SNB) that is valid at any given time.

³ The securities must be included in a recognized share index that sets acceptance criteria intended to ensure sufficient market liquidity.

⁴ Where Collateral is included in various categories, the lowest "Applicable attributable value", as stated in the above table, shall apply.

Not permitted as Collateral are issues (i) from companies in which a Party to this Framework Agreement directly or indirectly holds at least 20% of the share capital or voting rights; or (ii) from companies which have an equivalent holding in a Party to this Framework Agreement; (iii) of a Party's own shares and (iv) issues in which a Party to this Framework Agreement is the debtor.

Where one currency must be translated into another, the exchange rate laid down in the SIX SIS Rules and Regulations shall apply.

SSE shall be entitled but not obliged to demand that the Guarantor substitute Collateral immediately should the composition of the Collateral that is provided no longer be appropriate.

Further details on Collateral for Collateral-Secured Instruments can be found in the Collateralization Product Specification issued by Eurex Zurich Ltd, and in the Rules and Regulations of SIX SIS.

APPENDIX 3 TO THE FRAMEWORK AGREEMENT FOR COLLATERAL-SECURED
INSTRUMENTS

COSI® - Collateral Secured Instruments

Information for investors in Collateral Secured Instruments

SIX Swiss Exchange AG ("SIX Swiss Exchange") in collaboration with SIX SIS AG ("SIX SIS") offers issuers a service for the collateralization of certificates. By this procedure, the current value of a Collateral Secured Instrument ("COSI") is secured by a collateral provider in favour of SIX Swiss Exchange. The collateralization is based on the "Framework Agreement for Collateral Secured Instruments" (hereinafter the "Framework Agreement"), which the issuer and the collateral provider conclude with SIX Swiss Exchange and SIX SIS. Investors are not parties to the Framework Agreement. However, the Framework Agreement is of significance to the legal position of the investors in the event of a liquidation of collateral.

If certain events defined in the Framework Agreement occur (so-called liquidation events), the collateral will be liquidated. Upon the occurrence of a liquidation event, the COSI shall become due and payable within a certain time period. At that point in time, investors' claims against SIX Swiss Exchange for the payment of their pro-rata share of the net liquidation proceeds of the collateral arise automatically. Investors have no further claims against SIX Swiss Exchange or SIX SIS.

At their request, investors may obtain from the issuer a free of charge copy of the Framework Agreement in German or as an English translation. Other rules and regulations of SIX Swiss Exchange and SIX SIS pertaining to the collateralization of certificates can be accessed at www.six-swiss-exchange.com.

This information sheet does not contain a complete description of the investor's legal position, but instead provides a simplified overview of the collateralization of certificates. The legal position of an investor in COSI is determined solely by the provisions of the Framework Agreement. In the event of contradictions between the provisions of the Framework Agreement and this information sheet, the Framework Agreement takes precedence.

Neither the conclusion of the Framework Agreement nor the collateralization of a certificate constitute a value judgement on the part of SIX Swiss Exchange or SIX SIS with regard to the issuer, the collateral provider or a COSI. The distribution of COSI is the responsibility of the issuer.

COSI do not constitute collective investment schemes pursuant to the Federal Act on Collective Investment Schemes (CISA). They do not require authorization or supervision by the Swiss Financial Market Supervisory Authority FINMA.

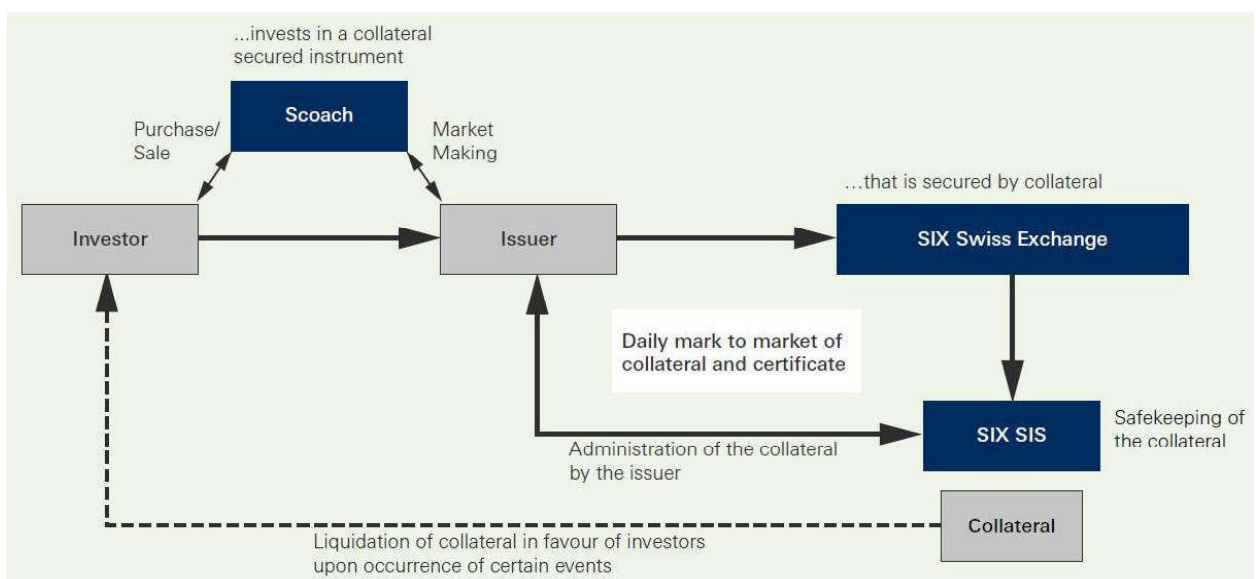
This information sheet pertains only to certificates that are collateralized within the scope of the service rendered by SIX Swiss Exchange and SIX SIS.

What is the collateralization of certificates all about?

Certificates are bearer debt instruments (claims). The investor who purchases a certificate incurs a default risk, the level of which depends on the solvency of the issuer. The insolvency of the issuer may lead to a total loss by the investor. In order to minimize this risk, SIX Swiss Exchange in collaboration with SIX SIS offers a service for the collateralization of certificates. The collateralization is based on the "Framework Agreement for Collateral Secured Instruments" ("Framework Agreement"), which the issuer and the collateral provider conclude with SIX Swiss Exchange and SIX SIS. Based on the Framework Agreement, the collateral provider undertakes to grant SIX Swiss Exchange a right of lien on selected securities (book entry securities, securities embodied in a certificate, value rights or cash). The COSI and the collateral are valued on each banking day. The collateral provider is obliged to adjust the level of the collateralization to any changes in value.

Investors do not themselves have a surety right to the collateral. However, the collateralization works in their favour in so far as the collateral shall be liquidated upon the occurrence of certain events as defined in the Framework Agreement (liquidation events) and the net proceeds of the liquidation of the collateral are distributed proportionately among the investors.

The service offered by SIX Swiss Exchange and SIX SIS can be depicted as follows:



Which certificates can be collateralized?

The service of SIX Swiss Exchange and SIX SIS facilitates the collateralization of certificates that are listed on SIX Swiss Exchange and traded on Scoach Switzerland. Possible trading currencies for COSI are Swiss franc (CHF), Euro (EUR), British pound (GBP), Japanese yen (JPY) and US dollar (USD). Condition for collateralization is the availability of relevant prices (fair market price, bond floor and/or required capital-protection level) for the COSI. The term to maturity of the COSI may not exceed eight years.

The issuer undertakes to ensure that market making for the COSI is in place for the entire period during which the COSI are admitted to trading; bid prices for COSI must be posted continually in the secondary market.

How does the collateralization of certificates work?

The collateral provider undertakes to secure the current value of the COSI in favour of SIX Swiss Exchange. The Collateralization shall take the form of a conventional right of lien. Investors do not themselves have a surety right to the collateral. The collateral is booked into an account of SIX Swiss Exchange with SIX SIS. There is no allocation of collateral to specific issues of COSI. It is compulsory that the collateralization be properly maintained during the entire term of the COSI. Partial collateralization of a given issue is not possible.

Should the value of the collateral fall below the total current values of all the COSI, the collateral provider is obliged to make the additional collateral available on the same day. A duty to provide additional collateral by the collateral provider is triggered when the current values of the COSI increase or the value of the collateral decreases. Where the value of the collateral increases or the current value of the COSI decreases, SIX Swiss Exchange shall return to the collateral provider collateral equivalent to the excess collateralization.

The Framework Agreement constitutes the legal basis for the collateralization. In keeping with its provisions, the Framework Agreement is concluded for the benefit of investors in the COSI. The Framework Agreement is a so-called genuine contract in favour of third parties in accordance with Article 112 of the Swiss Code of Obligations.

How is the actual amount of collateralization determined?

The amount of collateralization depends on the current values of the COSI. The method for calculating the current value shall be determined for each COSI upon application for (provisional) admission to trading and shall remain unchanged for the entire term of the COSI. The issuer shall disclose in the listing prospectus according to which of the methods described below (A or B) the current value of the COSI shall be calculated. The current values shall be determined in the trading currency of the COSI on each banking day. On that basis, the necessary level of collateralization shall be expressed in Swiss francs.

The rules for determining the effective current values are based on SIX Swiss Exchange's "Special Provisions governing Collateral Secured Instruments". Specifically, the current values of COSI are calculated as follows:

Method A: Fair value procedure

The fair value procedure is essentially based on prices for the certificates as calculated by third parties (so-called "fair values") in as far as such prices are available, which are taken into account in the determination of the current values of the COSI according to the following rules.

Scenario no.	CBP ¹	FV1 ²	FV2 ³	PCP ⁴	Current value of the certificate corresponds to:
1	-	-	-	-	ISP ⁵
2	-	-	-	x	PCP
3	-	-	x	-	ISP or FV2 depending on which value is greater
4	-	x	-	-	ISP or FV1 depending on which value is greater
5	x	-	-	-	ISP or CBP depending on which value is greater
6	-	-	x	x	FV2 or PCP depending on which value is greater
7	-	x	-	x	FV1 or PCP depending on which value is greater
8	x	-	-	x	CBP or PCP depending on which value is greater
9	-	x	x	-	FV1 or FV2 depending on which value is greater
10	x	-	x	-	CBP or FV2 depending on which value is greater
11	x	x	-	-	CBP or FV1 depending on which value is greater
12	-	x	x	x	FV1 or FV2 depending on which value is greater
13	x	-	x	x	CBP or FV2 depending on which value is greater
14	x	x	-	x	CBP or FV1 depending on which value is greater
15	x	x	x	-	If CBP is lower than FV1 and FV2, then FV1 or FV2 depending on which of these two values is lower; if CBP is equal to or greater than FV1 and/or FV2, it is always CBP
16	x	x	x	x	If CBP is lower than FV1 and FV2, then FV1 or FV2 depending on which of these two values is lower; if CBP is equal to or greater than FV1 and/or FV2, it is always CBP

Method B: Bond floor procedure

The bond floor procedure is based on the following rules for determining the bond floor in accordance with the specifications of the Federal Tax Administration (Berne/Switzerland).

Scenario no.	CBP ¹	PCP ⁴	BFP ⁶	Current value of the certificate corresponds to:
17	-	-	-	ISP
18	-	x	-	PCP
19	-	-	x	ISP or BFP depending on which value is greater
20	x	-	-	CPL ⁷ or CBP depending on which value is greater
21	x	-	x	BFP or CBP depending on which value is greater
22	x	x	-	CPL or CBP depending on which value is greater
23	-	x	x	BFP or PCP depending on which value is greater
24	x	x	x	BFP or CBP depending on which value is greater

Abbreviations used in the foregoing tables:

1 The closing bid price for the COSI on Scoach Switzerland of the previous trading day

2 the first fair value of the COSI as calculated by a third party on the basis of the underlying securities' closing prices of the previous trading day

3 the second fair value of the COSI as calculated by a third party on the basis of the underlying securities' closing prices of the previous trading day

4 the current value of the COSI as determined in accordance with method A or B on the previous trading day

5 the original issue price of the COSI

6 the bond floor price for the COSI on the previous trading day as determined by SIX Telekurs in accordance with the specifications of the Federal Tax Administration, Berne (Switzerland)

7 the capital protection level according to the COSI's redemption provisions

A value available for the given day is indicated with (x); an unavailable value is expressed by (-).

Which companies calculate the current values of COSI?

At present, the current values of COSI are determined by the following companies:

- Derivative Partners Research AG, Zurich/Switzerland (www.derivativepartners.com)
- European Derivatives Group AG, St. Gallen/Switzerland (www.derivatives-group.com)
- SIX Telekurs AG, Zurich (www.telekurs-financial.com), which is mandated by the Federal Tax Administration to calculate the bond floor price on a daily basis.

What type of collateral is accepted for the collateralization of certificates?

Collaterals from the following categories are acceptable for the collateralization of certificates:

- Securities accepted by the Swiss National Bank with regard to repo transactions;
- Securities accepted by the European Central Bank;
- Shares that are represented in recognized stock indices, the acceptance criteria of which must ensure that the shares have sufficient market liquidity; and
- Cash (CHF, EUR, GBP, JPY, USD).

SIX Swiss Exchange selects the permissible forms of collateral from these categories on an ongoing basis.

Not permissible as collateral are (i) securities of companies in which the issuer or the collateral provider directly or indirectly hold at least twenty percent of the share capital or voting rights; or (ii) securities of companies that themselves have interests or voting rights in the issuer or the collateral provider in such an amount; (iii) shares of the issuer or the collateral provider; and (iv) issues for which the issuer or the collateral provider act as borrower.

Depending on the type of collateral, certain margins are applied (so-called haircuts) which are provided for in the Framework Agreement. The relevant value of the securities used for collateralization is calculated on the basis of their market value less the counter value of the margin.

Who can act as a collateral provider for COSI?

The collateral provider must be licensed as a domestic bank pursuant to the Swiss Federal Act on Banks and Savings Banks, or as a domestic securities dealer pursuant to the Swiss Federal Act on Stock Exchanges and Securities Trading. There may be only one collateral provider per issuer.

Is it possible to change the collateral provider?

A change in the collateral provider is possible. For this purpose, the new collateral provider must become a party to the issuer's Framework Agreement. The accession will take effect upon its approval, provided that the issuer's COSI are completely collateralized by the new collateral provider. Under this condition, the new collateral provider assumes the function of the previous collateral provider.

Which events can lead to a liquidation of the collateral?

Upon the occurrence of certain events, the collateral will be liquidated. A liquidation event arises if and when:

- the collateral provider fails to provide the required collateral, fails to do so in due time or if the collateral provided is not free from defects, unless any such defect is remedied within three banking days;
- the issuer fails to fulfil a payment or delivery obligation under a COSI upon maturity according to the issuing conditions, fails to do so in due time or if its fulfilment of such obligations is defective, unless any such defect is remedied within three banking days;
- the Swiss Financial Market Supervisory Authority FINMA (Berne/Switzerland) orders protective measures with regard to the issuer or the collateral provider under Article 26 paragraph 1 letter (f) to (h) of the Federal Act on Banks and Savings Banks, or restructuring measures or liquidation (winding-up proceedings) pursuant to the provisions of the Federal Act on Banks and Savings Banks;
- a foreign financial market supervisory authority, another competent foreign authority or a competent foreign court orders an action that is comparable with the aforementioned FINMA measures;
- the market making obligation for the COSI is breached for ten consecutive banking days;
- the collateral provider's participation at SIX SIS ceases;
- the provisional admission of the COSI to trading lapses or is cancelled and the issuer fails to satisfy the investors' claims within thirty banking days of the lapse or cancellation of the provisional admission; or
- the COSI are delisted at the request of the issuer or for some other reason and the issuer fails to satisfy the investors' claims within thirty banking days of the last trading day.

The Framework Agreement provides for the exact time at which each liquidation event occurs. SIX Swiss Exchange is under no obligation to investigate the occurrence of a liquidation event. In determining the occurrence of a liquidation event, SIX Swiss Exchange bases its decision on reliable sources of information only. SIX Swiss Exchange shall determine with binding effect whether an incident qualifies as a liquidation event and at what point in time a liquidation event occurred.

What are the effects of a listing or admission to trading of the COSI on a secondary exchange?

Apart from the primary listing of the COSI at SIX Swiss Exchange the issuer may apply for a listing or admission to trading on one or more secondary exchanges. All aspects and events related to a listing or admission to trading of the COSI on a secondary exchange shall be disregarded under the Framework Agreement. In particular, the prices of the COSI quoted on the secondary exchanges shall not be taken into account for the determination of the current values of the COSI and events which are related to a listing or admission to trading of the COSI on a secondary exchange, such as the suspension of the market making at a secondary exchange or the delisting of the COSI from a secondary exchange, shall not be deemed a liquidation event under the Framework Agreement. SIX Swiss Exchange is at its own discretion entitled to make public the occurrence of a liquidation event and the maturity of the COSI pursuant to the Framework Agreement in the countries where a listing or admission to trading of the COSI on a secondary exchange is maintained as well as to inform the secondary exchanges or any other bodies about such occurrences.

What happens in the case of a liquidation event?

If a liquidation event occurs, the collateral will be liquidated provided this is not prevented by legal or actual hindrances. The remedy of a liquidation event is not possible. If a liquidation event occurs, SIX Swiss Exchange is, at its own discretion, entitled to privately liquidate all existing collateral immediately or at some later date, provided the applicable legal provisions do not prohibit such private liquidation. Otherwise, the collateral shall be delivered to the responsible person for liquidation. The liquidation encompasses all of the securities and relates to all of the issuer's COSI that are subject to collateralization under the provisions of the Framework Agreement. SIX Swiss Exchange can make public the occurrence of a liquidation event.

If a liquidation event has occurred, SIX Swiss Exchange will make a binding determination of the current values of all of the issuer's COSI in their respective trading currency. The current values of the COSI on the banking day immediately preceding the date on which the liquidation event occurred shall be applicable. The investors' claims against the issuer in connection with the COSI are determined on the basis of these current values.

In the case of COSI in a different trading currency than the Swiss franc, SIX Swiss Exchange shall, with binding effect for the parties to the Framework Agreement and the investors, convert the current values into Swiss francs. The exchange rates according to the regulations of SIX SIS for the banking day immediately preceding the date on which the liquidation event occurred shall be applicable. The conversion of the current values pertains only to the amount and the effect of the payment of pro-rata net liquidation proceeds by SIX Swiss Exchange to the investors in COSI in a different trading currency than the Swiss franc and shall have no further effect on the relationship between the investor and the issuer.

SIX Swiss Exchange shall make public the applicable current values of the COSI as well as the applicable exchange rates.

Following a liquidation event, trading in all COSI may be suspended, and the COSI may be delisted.

What effect does the occurrence of a liquidation event have on the COSI?

The COSI will become due and payable thirty banking days after the occurrence of a liquidation event, provided the certificates have not fallen due already as a result of the issuer's bankruptcy. SIX Swiss Exchange shall make public the due date of the COSI.

What claims can be asserted by the investors?

When the COSI become due and payable in accordance with the provisions of the Framework Agreement, investors' claims against SIX Swiss Exchange for payment of a pro-rata share of the net liquidation proceeds of the collateral arise automatically.

The maximum amount for each investor shall be his share of the pro-rata net liquidation proceeds that represents the total current values of his COSI. Should the combined current values of all investors in the issuer's COSI exceed the net liquidation proceeds, the payment of pro-rata shares of net liquidation proceeds will be made according to the ratio between the total current values held by individual investors and the total current values accruing to all investors in COSI of the issuer. In case of COSI in a different trading

currency than the Swiss franc, the investor's claim against SIX Swiss Exchange for payment of a pro-rata share of the net liquidation proceeds will be determined according to the current value of the COSI expressed in Swiss francs.

Any excess proceeds arising from the liquidation of the collateral will be paid to the collateral provider.

Investors shall have no further claims against SIX Swiss Exchange, SIX SIS or any other persons involved in the service of SIX Swiss Exchange.

How are the net liquidation proceeds paid to the investors?

Payments of the pro-rata net liquidation proceeds to the investors are made via the banking system. The payment is made exclusively in Swiss francs. Investors' claims shall not bear interest. Should the payment to the investors be delayed for any reason, SIX Swiss Exchange will be neither liable for default interest nor for any further damages.

Which consequences are associated with the payment of the net liquidation proceeds to the benefit of the investors?

SIX Swiss Exchange transfers the pro-rata share of the net liquidation proceeds due to investors to SIX SIS participants which hold the COSI directly or indirectly for the investors. In doing so, it is released from all further obligations. In certain instances, SIX Swiss Exchange may execute the payment of proceeds in a different manner, in particular for those investors who hold their COSI via the issuer affected by the liquidation event.

To the extent that pro-rata payments of net liquidation proceeds are paid out to the benefit of the investors, the investors' claims against the issuer of COSI expire. For COSI in a different trading currency than the Swiss franc, the extent of the expiry of investors' claims against the issuer is determined on the basis of the exchange rate of the respective trading currency of the COSI to the Swiss franc applicable on the banking day immediately preceding the day on which the liquidation event occurred. Decisive for the point in time when the investors' claims expire is the date on which SIX Swiss Exchange transfers the pro-rata share of net liquidation proceeds to the parties involved in the actual payment.

SIX Swiss Exchange shall make public the date of the transfer. Upon payment of the pro-rata net liquidation proceeds to the benefit of the investors, the existing claims of SIX Swiss Exchange against the collateral provider for collateralization of the COSI expire.

What costs arise from COSI and who bears them?

The collateral provider pays SIX Swiss Exchange a fee for the service of collateralizing the certificates. These costs may be taken into account for the pricing of a COSI and may therefore be borne by the investor, as the case may be. The pricing of the COSI is the responsibility of the issuer.

The costs (including taxes and duties, as well as consulting fees) incurred in connection with the liquidation of collateral and the payment of the net liquidation proceeds to the investors are covered by the liquidation proceeds. For this purpose, SIX Swiss Exchange deducts a flatrate fee of 0.1 percent of the entire liquidation proceeds for its own expenses and for the expenses of third parties. If extraordinary liquidation and distribution costs are incurred, these additional costs may also be deducted in advance from the liquidation proceeds.

SIX Swiss Exchange and SIX SIS are entitled to satisfy in advance out of the liquidation proceeds any outstanding claims they may have against the issuer and collateral provider under the terms of the Framework Agreement.

The remaining net liquidation proceeds are available for payment to the investors in the COSI of the respective issuer.

Which risks are borne by the investor?

Collateralization cannot eliminate all investment risks associated with COSI. In particular, the market risk arising from price fluctuations in the COSI and the collateral remains fully with the investor.

Collateralization eliminates the issuer default risk only to the extent that the proceeds from the liquidation of collateral upon the occurrence of a liquidation event (less the costs for the liquidation and payment) are able to meet the investors' claims. The investors bear the following risks, among others:

- the collateral provider is unable to provide the additionally required collateral if the value of the COSI increases or the value of the collateral decreases;
- upon the occurrence of a liquidation event, the collateral cannot immediately be liquidated by SIX Swiss Exchange because of factual hindrances, or because the collateral must be handed over to the executory authorities for liquidation;
- the payment to the investors becomes delayed for factual or legal reasons;
- the calculation of the current value of a COSI proves to be incorrect, potentially resulting in insufficient collateralization of the COSI;
- the market risk associated with the collateral results in insufficient liquidation proceeds, or in extreme circumstances, the collateral might lose its value entirely until the actual liquidation can take place;
- the maturity of a COSI in a foreign currency according to the Framework Agreement may result in the investor incurring a loss. This because the current value of the COSI, which determines the investor's claim against the issuer, is calculated in that foreign currency, whereas the payment of the investor's pro-rata share of net liquidation proceeds is made in Swiss francs and accordingly determines the extent to which the investor's claim against the issuer expires;
- the collateralization is challenged under the rules governing debt enforcement and bankruptcy, so that the collateral cannot be liquidated for the benefit of investors in COSI.

Which rules govern the liability associated with the collateralization of certificates?

The Framework Agreement limits the liability of all parties concerned (i.e. the issuer, the collateral provider, SIX Swiss Exchange and SIX SIS) to acts of gross negligence and the wilful violation of obligations. Further liability is excluded.

The liability of SIX Swiss Exchange and SIX SIS in connection with the payment of the pro-rata net liquidation proceeds in favour of the investors is limited according to the provisions of the Framework Agreement.

How can investors obtain further information on the collateralization of certificates?

The Framework Agreement, which is decisive with regard to the legal position of investors in COSI, can be obtained from the issuer upon request free of charge in the German version or in an English translation. Further information on the collateralization of certificates is accessible via the website of SIX Swiss Exchange www.six-swiss-exchange.com.

What must investors bear in mind with regard to the judicial assessment of their claims?

The investor's legal position is determined by the provisions of the Framework Agreement. Investors are bound vis-à-vis SIX Swiss Exchange and SIX SIS to the provisions of the Framework Agreement and in particular to the choice of Swiss law as well as the exclusive jurisdiction of the Commercial Court of the Canton of Zurich (Switzerland) for the legal adjudication of claims.

This information sheet constitutes neither investment advice nor an investment recommendation with regard to COSI. The content of this information sheet shall not be deemed to represent an offer or solicitation to buy or take any other action with regard to COSI and does not serve as the basis for or component of any contract. An investment decision on the part of the investor should be taken solely on the basis of an issuer's complete sales documentation. Furthermore, it is advisable to seek the assistance of a specialized financial consultant. Information on the general risks and opportunities associated with certificates can be found in the Swiss Bankers Association brochure entitled "Special Risks in Securities Trading 2008" (accessible via www.swissbanking.org) and via the website of the Swiss Structured Products Association (www.svsp-verband.ch).

SIX Swiss Exchange Ltd

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APPENDIX 4 TO THE FRAMEWORK AGREEMENT FOR COLLATERAL-SECURED INSTRUMENTS

[To be submitted by the Issuer to SIX Exchange Regulation along with the listing prospectus]

[Issuer] (hereinafter "Issuer") hereby provides the following assurances (1) to (6) to SIX Swiss Exchange Ltd and SIX SIS Ltd with regard to the Collateral-secured instrument [specifications: name / trading currency / ISIN] (hereinafter "COSI") for the entire duration that the COSI is listed on SIX Swiss Exchange Ltd:

- (1) The text block set out in clause 16.1 of the Framework Agreement has been included in full and without amendment in clause [●] of the listing prospectus¹ for the Collateral-secured instrument, [including the section completed by the Issuer [concordance table or notes on the terminological differences compared with the standard SIX Swiss Exchange text] / with the section that must not be completed, entitled] "Congruence with the listing prospectus".
- (2) [No additional text modules, as set out in clause 17 of the Framework Agreement, are used in the listing prospectus.] / [The listing prospectus incorporates text module[s] 17.2 / 17.3 / 17.4 / 17.5 / 17.6 of the Framework Agreement.]
- (3) The text block set out in the clause of the listing prospectus for Collateral-Secured Instruments mentioned in the above assurance (1) [does] / [and the text module[s] used in accordance with assurance (2) [does]/[do]] not constitute a legally significant contradiction to the entire content of the listing prospectus for Collateral-Secured Instruments.
- (4) The text block set out in clause 16.1 of the Framework Agreement has been included in full and without amendment in clause [●] of the issuing prospectus¹ for the Collateral-secured instrument, [including the section completed by the Issuer [concordance table or notes on the terminological differences compared with the standard SIX Swiss Exchange text] / with the section that must not be completed, entitled] "Congruence with the Issuing Prospectus".
- (5) [No additional text modules, as set out in clause 17 of the Framework Agreement, are used in the issuing prospectus.] / [The issuing prospectus incorporates text module[s] 17.2 / 17.3 / 17.4 / 17.5 / 17.6 of the Framework Agreement.]
- (6) The text block set out in the clause of the issuing prospectus for Collateral-Secured Instruments mentioned in the above assurance (4) [does] / [and the text module[s] used in accordance with assurance (5) [does]/[do]] not constitute a legally significant contradiction to the entire content of the issuing prospectus for Collateral-Secured Instruments.

¹ Depending on the circumstances, in the context of the above assurances (1) to (6) provided by the Issuer, the terms "listing prospectus" and "issuing prospectus" include the stand-alone prospectus, the pricing supplement including the issuance program, as well as all documents with a comparable function.

[Issuer]

Date:

APPENDIX 5 TO THE FRAMEWORK AGREEMENT FOR COLLATERAL-SECURED INSTRUMENTS

Contact details

A) Issuer

Name of Issuer	
Address	
Telephone number	

Business contact

Name	
Tel. no. (land line)	
Mobile tel. no.	
e-mail	
Job title	

Technical contact

Name	
Tel. no. (land line)	
Mobile tel. no.	
e-mail	
Job title	

B) Guarantor

CP organization	
CPBPID	

Address	
Telephone number	

Business contact

Name	
Tel. no. (land line)	
Mobile tel. no.	
e-mail	
Job title	

Technical contact

Name	
Tel. no. (land line)	
Mobile tel. no	
e-mail	
Job title	

Signatures by Leonteq Securities AG, Zurich

5 July 2013

Leonteq Securities AG, Zurich

Signed by René Ziegler
Managing Director /
Head Product Documentation

Signed by Ingrid Silveri
Executive Director /
Legal Counsel