

Securities Note dated 12 January 2024



LEONTEQ SECURITIES AG
(Incorporated in Switzerland)

as Issuer

which may also be acting through its Guernsey branch (Leonteq Securities AG, Guernsey Branch)
or its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch)

**European Issuance and Offering Programme
for Credit Linked Products**

Lead Manager

Leonteq Securities AG, Zurich

What is this document?

This document (the "**Securities Note**") together with the Registration Document of Leonteq Securities AG dated 21 June 2023 approved by the CSSF (which can be accessed from the following hyperlink: https://common.leonteq.com/engine/our-services/prospectuses-disclosures/documents/Registration_Document_LTQ_2023.pdf) (the "**Registration Document**") constitute a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation in respect of all Products, other than Exempt Products (each as defined below). Following approval of this Securities Note, the Base Prospectus, comprising this Securities Note and the Registration Document, will be valid for 12 months after its approval and will expire on 12 January 2025.

This Securities Note may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. The obligation to supplement a prospectus in the event of any significant new factor, material mistake or material inaccuracy relating to the information included in it does not apply when such prospectus is no longer valid. Each supplement will be available for viewing on the website of the Luxembourg Stock Exchange at www.LuxSE.com.

When used in this document, "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended. References in this Securities Note to "**Exempt Products**" are to Products for which no prospectus is required to be published in the European Economic Area ("**EEA**") under the EU Prospectus Regulation (or in respect of which a separate prospectus will be published under the EU Prospectus Regulation).

Approval of the Base Prospectus

In order to allow for this Securities Note to be used for a public offer or the admission of the Securities to trading as part of the Base Prospectus, it has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the competent authority for the purpose of the EU Prospectus Regulation, for the purpose of giving information with regard to the issue of Products (excluding Exempt Products) by Leonteq Securities AG which may also be acting through its Guernsey branch (Leonteq Securities AG, Guernsey Branch) or its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch) (the "**Issuer**") under the Programme during the period of 12 months from the date of this Securities Note. The CSSF has only approved this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Pursuant to article 6(4) of the Luxembourg Law dated 16 July 2019 on prospectuses for securities (the "**Luxembourg Prospectus Law**"), by approving this Securities Note, the CSSF gives no undertaking as to, and assumes no responsibility for, the economic and financial characteristics of the Products to be issued hereunder or the quality and solvency of the Issuer. Such approval should not be considered as an endorsement of the quality of the Products that are the subject to this Securities Note. Investors should make their own assessment as to the suitability of investing in the Products.

The CSSF has neither approved nor reviewed the Form of Pricing Supplement, which only applies to Exempt Products, or the information contained therein nor reviewed any information in relation to an admission to trading on SIX Swiss Exchange Ltd ("**SIX Swiss Exchange**") and/or BX Swiss Ltd ("**BX Swiss**") and offers to the public in Switzerland. In addition, the CSSF has neither approved nor reviewed any information in relation to the Exempt Products.

What type of products may be issued under the Base Prospectus?

The Issuer may from time to time issue securities in the form of notes and certificates (all of which are referred to in this Securities Note as "**Products**" and the "**Credit Linked Products**") as part of the European Issuance and Offering Programme for Credit Linked Products (the "**Programme**") under the Base Prospectus.

Products have a fixed term and are

- Credit linked products linked to a single Reference Entity (each a "**Reference Entity**") ("**Single Name CLP**") or
- Credit linked products linked to several Reference Entities with equal or individual weightings ("**Basket CLP**") or

- Credit linked products linked to several Reference Entities within a credit derivatives index or a tranche of such an index ("**Credit Index CLP**").

Credit Linked Products may for fixed or floating interest payments or may be issued without interest accrual.

In the event of the occurrence of certain credit event related circumstances, so called "**Credit Events**" (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring) in relation to the relevant Reference Entity or, with respect to Basket CLP or Credit Index CLP, one or more Reference Entities, in each case as specified in the applicable Issue Terms, the obligation of the Issuer to pay principal at maturity may be replaced by amounts calculated by reference to the losses for unwinding or the settlement of any hedge positions of the Issuer relating to the affected Reference Entities ("**Hedge Losses**") (which may, in each case, be less than the par value of the Credit Linked Products at the relevant time), all as more fully described in the Conditions.

In addition, interest-bearing Credit Linked Products may cease to bear interest on or prior to the date of occurrence of such circumstances in whole or in part.

Credit Linked Products may also be structured as linked to a specific Reference Obligation of the relevant Reference Entity only (so called "**Bond Linked CLP**"). In such case a Credit Event occurs only if in respect of the Reference Entity and the specific Reference Obligation, a Credit Event occurs.

Moreover, Credit Linked Products may be additionally linked to one or more specific Underlying(s) (as defined below). In case of such Credit Linked Products with an "**Underlying Component**", the Credit Linked Products provide for redemption amounts which – if no Credit Event occurs – are dependent on the performance of such Underlying(s) only.

The Credit Linked Products are unsecured and unsubordinated general obligations of the Issuer, provided that the Issuer may issue Products with collateral security in the form of TCM (Triparty Collateral Management) Secured Products. The relevant Issue Terms (as defined below) will indicate whether or not the Credit Linked Product is a TCM Secured Product.

The Credit Linked Products may be listed and traded on a regulated market, a multilateral trading facility (MTF) or not listed or traded.

What type of Reference Entities may determine amounts payable under the Credit Linked Products?

The Reference Entities of the Credit Linked Products will be companies, sovereigns and/or banks and other financial institutions.

The Reference Entities of all Products (other than Exempt Products) must have, as of the date of the Final Terms, securities outstanding which are admitted to trading on an EU regulated market, an equivalent third country market or a SME growth market (as defined in the EU Prospectus Regulation).

The following general types of Reference Entity(ies) can be differentiated:

- The Reference Entity is a single company (**Product Type 1**).

In this situation, Investors bear the credit risk of the Issuer and the credit risk of the company.

The payments of interest and redemption of the Products depend on the respective credit risks.

- The Reference Entity is a single sovereign (**Product Type 2**).

In this situation, Investors bear the credit risk of the Issuer and the credit risk of that sovereign.

The payments of interest and redemption of the Products depend on the respective credit risks.

- The Reference Entity is a single financial institution (**Product Type 3**).

In this situation, Investors bear the credit risk of the Issuer and the credit risk of this financial institution.

The payments of interest and redemption of the Products depend on the respective credit risks.

- The Reference Entities are multiple companies (**Product Type 4**).

In this situation, Investors bear the credit risk of the Issuer and the credit risk of each individual company.

The payments of interest and redemption of the Products depend on the respective credit risks. This means: A Credit Event can occur separately for each of the Reference Entities. The amount of the interest payments and redemption payments is reduced proportionately with each Credit Event.

- The Reference Entities are multiple sovereigns (**Product Type 5**).

In this event, Investors bear the credit risk of the Issuer and the credit risk of each individual sovereign.

The payments of interest and redemption of the Products depend on the respective credit risks. This means: A Credit Event can occur separately for each of the Reference Entities. The amount of the interest payments and redemption payments is reduced proportionately with each Credit Event.

- The Reference Entities are multiple financial institutions (**Product Type 6**).

In this situation, Investors bear the credit risk of the Issuer and the credit risk of each individual financial institution.

The payments of interest and redemption of the Products depend on the respective credit risks. This means: A Credit Event can occur separately for each of the Reference Entities. The amount of the interest payments and redemption payments is reduced proportionately with each Credit Event.

- In addition, combinations of Product Types are possible (**Product Type Combinations**). In case of a Credit Index CLP, the Reference Entities of each of the Product Types are based on the respective Credit Index or a certain tranche of such Credit Index.

The payments of interest and redemption of the Products depend on the respective credit risks. This means: A Credit Event can occur separately for each of the Reference Entities. The amount of the interest payments and redemption payments is reduced proportionately with each Credit Event.

For all Product Types, a total loss of the amount paid to purchase the Products is possible.

Investors should note that for the purposes of the descriptions in this Securities Note:

- The amount paid to purchase the Products includes here and below all costs related to the purchase.
- A Credit Event is only considered to occur in the following circumstances: The Issuer has knowledge of the occurrence of a Credit Event with respect to a Reference Entity on the basis of publicly available information. All requirements for the occurrence of a Credit Event have to be fulfilled in relation to the relevant Reference Entity(ies).

A more detailed description of how the Products function can be found in '*Description of the Products*' on pages 54 et seq. It is highly recommended to read the risk factors regarding the Issuer and the Products in section '*Risk Factors*' on pages 16 et seq. thoroughly at the same time. An investment in the Products is only suitable for investors, who understand the nature of such Products and the extent of the incorporated risks and who have sufficient knowledge, experience and access to professional advisors

(including their financial, accounting, legal and tax advisors) in order to form their own legal, tax, accounting and financial opinion upon the existing risks in relation to the Products.

What type of Reference Rate(s) and Underlying(s) may determine amounts payable under the Products?

Floating rate interest payments may be made by reference to specific interest rates or reference rates, such as EURIBOR, or a calculation method using overnight and risk free rates, such as ESTR, SONIA or SOFR (each a "**Reference Rate**").

The redemption terms of Credit Linked Products with an Underlying Component to be offered and issued under the Base Prospectus may be linked to the performance of one or more of the following types of Underlying(s): share, index consisting of shares and/or other assets, proprietary index which is an index administered by Leonteq Securities AG and registered in the register in accordance with Article 36 of the EU Benchmark Regulation (EU) 2016/1011, exchange traded fund shares or inflation index.

Who is the Issuer and where do I find information about it?

The Products will be issued by Leonteq Securities AG which may also be acting through its Guernsey branch ("**Leonteq Securities AG, Guernsey Branch**") or its Amsterdam branch ("**Leonteq Securities AG, Amsterdam Branch**") ("**Leonteq**" or the "**Issuer**"). The payment of any amount under the Products is subject to the financial position of the Issuer and the ability of the Issuer to meet its obligations at the relevant time. The Registration Document for the Issuer provides a description of the business activities of the Issuer as well as certain financial information and material risks faced by the Issuer.

The Products (other than the TCM Secured Products) are unsecured and unsubordinated general obligations of the Issuer. The TCM Secured Products are general obligations of the Issuer that are collateralised in accordance with the TCM Security Agreement (as described in more detail below in the section of this Securities Note '*Description of TCM ("Triparty Collateral Management") Secured Products*').

How do I use the Base Prospectus?

The Base Prospectus (comprising this Securities Note and the Registration Document and any other information which is incorporated by reference into such documents) contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Products. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in the Issue Terms (as described below). Investors should read each of these documents, before making any decision to invest in a Product.

What are Issue Terms?

"**Issue Terms**" means either

- (a) If the Products are not Exempt Products, the applicable Final Terms, or
- (b) If the Products are Exempt Products, the applicable Pricing Supplement.

What are Final Terms?

The "**Final Terms**" will be prepared in relation to each issuance of Products (other than Exempt Products), and sets out the specific details of the Products. For example, the Final Terms will contain the issue date, the redemption date, the Reference Entity(ies) and Underlying(s) to which the Products are linked (and the related Underlying Specific Conditions which apply to the Products) and specify the applicable Payout Conditions used to calculate the redemption amount and any interest payments (if applicable) of the Products.

In addition, an issue-specific summary will be annexed to the Final Terms for each issuance of the Products (other than Exempt Products) where required under the EU Prospectus Regulation. Each issue-specific summary will contain a summary of key information relating to the Issuer, the Products, the risks relating to the Issuer and the Products, and the offer of the Products.

What is a Pricing Supplement?

A "**Pricing Supplement**" will be prepared in relation to each issuance of Exempt Products, and sets out the specific details of the Exempt Products. For example, the Pricing Supplement will contain the issue date, the redemption date, the Reference Entity(ies) and Underlying(s) to which the Products are linked (and the related Underlying Specific Conditions which apply to the Product) and specify the applicable Payout Conditions used to calculate the redemption amount and any interest payments (if applicable) of the Exempt Product.

What are the risks in relation to the Products?

Investing in the Products is subject to a number of risks, as described in the section '*Risk Factors*' herein as well as the section '*Risk Factors*' in the Registration Document. The Products are speculative investments, and returns may at times be volatile and losses may occur quickly and in unanticipated magnitude. Depending on the particular Payout Conditions (as described in this Securities Note and as specified in the applicable Issue Terms) of the Products, Investors may bear the risk of losing some or up to all of their investment depending on the creditworthiness of the Reference Entity(ies) and/or performance of the Underlying(s) to which the Products are linked. For all Products other than TCM Secured Products, if the Issuer becomes insolvent or bankrupt or otherwise fails to make payment in respect of the Products, Investors will lose some or all of their investment. In respect of TCM Secured Products, if the Issuer becomes insolvent or bankrupt or otherwise fails to make payment or meet its delivery obligations in respect of the Products Investors may benefit from a claim over certain collateral; however, Investors may also suffer losses if the value of the collateral declines.

Investors should not acquire a Product unless they (whether on their own or in conjunction with a financial adviser) understand the nature of the Product and the extent of the exposure to potential loss on the Product, and any investment in a Product must be consistent with such Investor's overall investment strategy. Investors (whether on their own or in conjunction with a financial adviser) should consider carefully whether the Product is suitable for them in the light of their investment objectives, financial capabilities and expertise. Investors should consult their own legal, tax, accountancy, regulatory, investment and other professional advisers as may be required to assist them in determining the suitability of the Product for them as an investment.

IMPORTANT LEGAL INFORMATION

THE AMOUNT PAYABLE OR UNDERLYING(S) DELIVERABLE ON REDEMPTION OF THE PRODUCTS MAY BE LESS THAN THE ORIGINAL INVESTED AMOUNT AND IN SOME CASES MAY BE ZERO, IN WHICH CASE INVESTORS WILL LOSE SOME OR ALL OF THEIR INVESTMENT.

WHEN INVESTING IN THE PRODUCTS, INVESTORS ARE SUBJECT TO THE CREDIT RISK OF THE ISSUER. FOR TCM SECURED PRODUCTS ONLY, INVESTORS WILL ALSO HAVE RECOURSE TO THE RELEVANT COLLATERAL. THE PRODUCTS (OTHER THAN THE TCM SECURED PRODUCTS) ARE UNSECURED OBLIGATIONS OF THE ISSUER. THE PRODUCTS ARE NOT BANK DEPOSITS AND ARE NEITHER INSURED NOR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR DEPOSIT PROTECTION SCHEME IN SWITZERLAND OR IN ANY OTHER JURISDICTION. THEREFORE, IF THE ISSUER FAILS OR IS OTHERWISE UNABLE TO MEET ITS PAYMENT OR DELIVERY OBLIGATIONS UNDER THE PRODUCTS (OTHER THAN THE TCM SECURED PRODUCTS), INVESTORS WILL LOSE SOME OR ALL OF THEIR INVESTMENT. IN RESPECT OF THE TCM SECURED PRODUCTS, IF THE COLLATERAL IS LIQUIDATED AND THE VALUE OF THE COLLATERAL IS LESS THAN THE VALUE OF THE TCM SECURED PRODUCT, INVESTORS MAY LOSE SOME OF THEIR INVESTMENT.

INVESTING IN PRODUCTS INVOLVES CERTAIN RISKS, AND INVESTORS SHOULD FULLY UNDERSTAND THESE BEFORE THEY INVEST. SEE THE SECTION HEADED 'RISK FACTORS' BELOW.

EEA Retail Investors

Unless the Issue Terms in respect of the relevant Products specifies 'Prohibition of Sales to EEA Retail Investors' as 'Not Applicable', the Products are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Products or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Products or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Offer in Switzerland

If and to the extent that the Products will be publicly offered, directly or indirectly, in Switzerland within the meaning of the Financial Services Act ("**FinSA**") or if the Products shall be admitted to trading on a Swiss trading venue pursuant to the Financial Market Infrastructure Act ("**FMIA**"), e.g., on SIX Swiss Exchange and/or BX Swiss, a prospectus in accordance with FinSA would be required. Such requirement may be met on the basis of (i) an automatic recognition of the Base Prospectus in Switzerland under the rules of the FinSA by way of a notification of, and a registration of the Base Prospectus with, a Swiss reviewing body (a "**FinSA Reviewing Body**") pursuant to the rules of the FinSA, as implemented by the relevant FinSA Reviewing Body and (ii) depositing the relevant Final Terms with the FinSA Reviewing Body. Such a registration would be possible for a Base Prospectus that is approved by the CSSF, as competent authority under the EU Prospectus Regulation. Any such Swiss offering and/or listing and/or admission to trading described in this paragraph and in respect of which the FinSA prospectus requirement is intended to be satisfied in accordance with (i) and (ii) in this paragraph above, is referred to as a "**Swiss Public Offering/FMIA Admission to Trading (via FinSA Prospectus Recognition)**".

Except to the extent the Base Prospectus is registered with the FinSA Reviewing Body under the rules of the FinSA, neither the Base Prospectus nor any other offering or marketing material relating to the

Products constitutes a prospectus pursuant to the FinSA, and neither the Base Prospectus nor any other offering or marketing material relating to the Products may be publicly distributed or otherwise made publicly available in Switzerland, unless the requirements of FinSA and Financial Services Ordinance ("**FinSO**") for such public distribution are complied with.

None of the Products constitute a participation in a collective investment scheme within the meaning of the Collective Investment Schemes Act ("**CISA**") and are neither subject to the authorisation nor the supervision by the Swiss Financial Market Supervisory Authority ("**FINMA**") and investors do not benefit from the specific investor protection provided under the CISA.

If and to the extent the Products will be offered, sold or advertised, directly or indirectly to retail clients (*Privatkundinnen und -kunden*) within the meaning of FinSA ("**Retail Clients**") a key investor document (*Basisinformationsblatt*) pursuant to Article 58 et seq. of FinSA relating to the Products (a "**FinSA-KID**") would need to be prepared, unless the Retail Clients shall receive a key information document pursuant to the EU PRIIPs Regulation instead of a FinSA-KID.

No investment advice

Neither the Base Prospectus nor any Issue Terms is or purports to be investment advice. Unless expressly agreed otherwise with a particular Investor, none of the Issuer or the Lead Manager is acting as an investment adviser, providing advice of any other nature, or assuming any fiduciary obligation to any Investor in the Products.

Independent evaluation

Nothing in the Base Prospectus is intended to provide the basis of any credit or other evaluation (except in respect of any purchase of the Products described herein) or should be considered as a recommendation by the Issuer or the Lead Manager that any recipient of the Base Prospectus (or any document referred to herein) should purchase any Products.

Investors should not purchase any Products unless they understand the extent of their exposure to potential loss. Investors are urged to read the risk factors described in the section of this Securities Note entitled '*Risk Factors*' below, together with the other information in this Securities Note, as supplemented from time to time, and the Issue Terms, before investing in the Products.

Investors should note that (i) the risks described in the section in this Securities Note entitled '*Risk Factors*' below and (ii) the risks described in the section entitled '*Risk Factors*' of the Registration Document are not the only risks that the Issuer faces or that may arise because of the nature of the Products. The Issuer has described only those risks relating to its operations and to the Products that the Issuer considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware.

Given the nature, complexity and risks inherent in the Products (and investments relating to the type of Underlying(s)), the Products may not be suitable for investors' investment objectives in light of their financial position. Investors should consider seeking independent advice to assist them in determining whether the Products are a suitable investment for them and to assist them in evaluating the information contained in this Securities Note or set out in the Issue Terms.

Investors have sole responsibility for the management of their tax and legal affairs including making any applicable filings and payments and complying with any applicable laws and regulations. None of the Issuer, the Lead Manager, any Agent or any of their respective affiliates will provide investors with tax or legal advice and investors should obtain their own independent tax and legal advice tailored to their individual circumstances. The tax treatment of securities, such as the Products, can be complex and the tax treatment applied to an individual depends on their circumstances. The level and basis of taxation may change during the term of any Product.

Amounts due to be paid to Investors are described on a gross basis, i.e., without calculating any tax liability. The Issuer shall make no deduction for any tax, duty, or other charge unless required by law.

Potential for Discretionary Determinations by the Calculation Agent under the Products

Under the terms and conditions of the Products, following the occurrence of certain events outside of the control of the Issuer, the Lead Manager, the Agents and their respective affiliates, the Calculation Agent may exercise discretion to take one or more of the actions available to it in order to deal with the impact of such event on the Products or (if applicable) the Issuer's hedging arrangements. Any such discretionary determinations could have a material adverse impact on the value of and return on the Products.

Distribution

The distribution or delivery of the Base Prospectus or any Issue Terms and any offer or sale of the Products in certain jurisdictions may be restricted by law. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation. Other than as expressly described in the Base Prospectus, no action is being taken to permit an offering of the Products or the delivery of the Base Prospectus in any jurisdiction. Persons into whose possession the Base Prospectus or any Issue Terms comes are required by the Issuer to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in the section '*Purchase and Sale*' below and may also be set out in the Issue Terms.

Selling restrictions

The Products are subject to restrictions on offers, sales and transfers of Products and delivery of the Base Prospectus and any Issue Terms, see '*Purchase and Sale*' herein.

Guernsey Regulatory

Neither the Base Prospectus nor any Products offered pursuant to the Base Prospectus have been reviewed or approved by the Guernsey Financial Services Commission and neither the Guernsey Financial Services Commission nor does the States of Guernsey take any responsibility for the financial soundness of the Issuer or its securities, or for the correctness of any of the statements made or opinions expressed with regard to it.

If Investors are in any doubt about the contents of this Securities Note they should consult their accountant, legal or professional adviser or financial adviser.

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All of the directors accept responsibility accordingly.

Change of circumstances

Neither the delivery of the Base Prospectus (including the Registration Document) or any Issue Terms, nor any sale of Products, shall create any impression that information in such documents relating to the Issuer is correct at any time subsequent to the date of the Securities Note and the Registration Document or that any other information supplied in connection with the Products or the Programme is correct as of any time subsequent to the date of the relevant document containing the same (the foregoing being without prejudice to the obligations of the Issuer under applicable rules and regulations).

Representations

In connection with the issue and sale of the Products, no person has been authorised to give any information or to make any representation not contained in or consistent with the Base Prospectus and Issue Terms and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. None of the Issuer, the Lead Manager, any Agent or any of their respective affiliates accepts any responsibility for any information not contained in the Base Prospectus and Issue Terms.

Calculations and determinations

All calculations and determinations in respect of the Products shall be made by the Calculation Agent. Unless otherwise specified in the Issue Terms for a particular Product, Leonteq Securities AG will act as the Calculation Agent for all Products (in such capacity, the "**Calculation Agent**"). All calculations and determinations made by the Calculation Agent in respect of the Products shall be final and binding on the Issuer and Investors in the absence of manifest error. No liability shall attach to the Calculation Agent for errors or omissions in respect of any calculation, determination or other exercise of discretion under the Conditions provided that, it has acted in accordance with General Condition 11.2 (*Determinations by the Calculation Agent*).

Capitalised terms

All capitalised terms used will be defined in this Securities Note or the Issue Terms and are referenced in the Index to this Securities Note.

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GENERAL DESCRIPTION OF THE PROGRAMME

The following description constitutes a general description of the Programme for the purposes of Article 25 of Commission Delegated Regulation (EU) 2019/980 and does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Securities Note and, in relation to the terms and conditions of any particular Products, the applicable Issue Terms.

Description: European Issuance and Offering Programme (the "**Programme**").

Issuer (and legislation under which the Issuer operates): Leonteq Securities AG, Zurich, Switzerland

Leonteq Securities AG is authorised as a securities firm and subject to supervision by FINMA.

Issuer Legal entity identifier (LEI):
ML61HP3A4MKTTA1ZB671

LEI of Leonteq Securities AG, Guernsey Branch:
549300SCKU4B0LXWV721

LEI of Leonteq Securities AG, Amsterdam Branch:
2549008UP5LW6G3XIW43

Lead Manager: Leonteq Securities AG, Zurich, Switzerland (unless otherwise specified in the relevant Issue Terms).

Paying Agent:

- In respect of SIX SIS Securities only: Leonteq Securities AG, Zurich, Switzerland (unless otherwise specified in the relevant Issue Terms); and
- In respect of Euroclear/Clearstream Securities: the Paying Agent will be specified in the relevant Issue Terms.

Calculation Agent: Leonteq Securities AG, Zurich, Switzerland (unless otherwise specified in the relevant Issue Terms).

In respect of TCM Secured Products only:

Collateral Agent: SIX Repo AG, Zurich, Switzerland.

Custodian: SIX SIS AG, Olten, Switzerland.

Payout of the Products: The Credit Linked Products are credit linked to a single Reference Entity or several Reference Entities (including as part of a Credit Index or a tranche of such Credit Index). The Products are redeemed at the Redemption Amount unless a Credit Event has occurred. If a Credit Event has occurred, payments are based on the Liquidation Amount determined on the Hedge Losses and the pro rata share of any Settlement Expenses and Swap Costs.

Credit Linked Products provide regular fixed or floating interest payment unless a Credit Event has occurred.

The Credit Linked Products with an Underlying Component are linked to Underlying(s) and provide a Redemption Amount at maturity linked to the performance of the

	Underlying(s), as specified in the Issue Terms and provided that a Credit Event has not occurred. In addition, Credit Linked Products may provide for an early redemption upon exercise of an Issuer's Call Option at the Issuer Liquidation Amount.
Status of the Products:	The Products (other than the TCM Secured Products) constitute direct, unsecured and unsubordinated general obligations of the Issuer and rank equally among themselves and with all other direct unsecured and unsubordinated general obligations of the Issuer. The TCM Secured Products constitute general contractual obligations of the Issuer and are collateralised in accordance with the TCM Security Agreement (as described in more detail below in the section of this Securities Note 'Description of TCM ("Triparty Collateral Management") Secured Products'). The TCM Secured Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, shall rank <i>pari passu</i> with all other collateralised and unsubordinated obligations of the Issuer. The Products do not evidence deposits of the Issuer. The Products are not insured or guaranteed by any government or government agency.
Listing and admission to trading:	Applications may be made to list the Products on a regulated market or multilateral trading facility and admit the Products to trading on a regulated market or multilateral trading facility, as disclosed in the Issue Terms. Products may also be unlisted and not admitted to trading as specified in the Issue Terms of the relevant Products.
Governing Law:	All Products issued under the Base Prospectus shall be governed under Swiss law, as specified in the Issue Terms of the relevant Product.
Clearing Systems:	SIX SIS Securities shall be cleared through the Swiss central depository. Euroclear/Clearstream Securities shall be cleared through Euroclear Bank S.A./N.V. and Clearstream Banking S.A. In the event that the applicable Issue Terms specify Monte Titoli as the Relevant Clearing System, the Products may be held only through an authorised intermediary entitled to hold securities deposit accounts with Monte Titoli on behalf of their customers.
Currencies:	Subject to compliance with all applicable laws, regulations and directives, the Products may be issued in any currency, as specified in the Issue Terms of the relevant Product.
Maturities:	Fixed term with any maturity, subject to all applicable laws, regulations or directives, as specified in the Issue Terms of the relevant Product.
Minimum Denomination:	All Products will have a minimum denomination or notional amount of at least EUR 1,000 (or equivalent), save for any Products which are non-equity securities giving the right to

acquire any transferable securities or to receive a cash amount as a consequence of the rights conferred by them being exercised (provided that Leonteq is not the issuer of the underlying securities or an entity belonging to the same group as the issuer of the underlying securities) provided that both (i) Exempt Products and (ii) Unit Certificates shall have no minimum denominations.

Reference Entities and Successors:

The Reference Entities of the Products will be companies, sovereigns and/or banks and other financial institutions.

Certain events might result in changes to the Reference Entity(ies) under the Products, for example in case of a merger or a spin-off. In this case, one or more Successors might replace the Reference Entity(ies) of a Product.

Underlyings, Market Disruption Events, Adjustments:

The following types of Underlying(s) may be linked to the Products: shares, index consisting of shares and/or other assets, proprietary index which is an index administered by Leonteq Securities AG and registered in the register in accordance with Article 36 of the Benchmark Regulation, exchange traded fund shares or inflation index.

The Products do not qualify as a fund.

Under the terms and conditions of the Products, the Calculation Agent may determine that a Market Disruption Event (as defined in the Underlying Specific Conditions) has occurred or exists at a certain time. Such an event could lead to the postponement of a date on which the Calculation Agent is to establish a valuation of the Underlying (in some cases, potentially up to 60 calendar days) and in certain circumstances lead to the Calculation Agent estimate the relevant price or level of such Underlying and/or to a corresponding delay in the settlement of the Products.

Upon the occurrence of certain extraordinary events affecting an Underlying, for example substitutions, adjustments or dilutive events, adjustments will be made in accordance with the terms and conditions of the Products. Any such adjustment could include a substitution of an Underlying by a successor underlying.

Under certain circumstances, the Issuer may also be entitled to early redeem the Products at the Unscheduled Early Redemption Amount.

Method of Issue:

The Products will be issued in one or more series and each series may be issued in tranches on the same or different Issue Date(s). The Products of each series are intended to be interchangeable with all other Products of that series.

Issue Price:

The Issue Price may be par, at a discount to par, or at a premium over par. The Issue Price of the Products will likely be higher than its market value as at the Issue Date and higher than the price at which such Products may be sold in any secondary market transactions.

Costs, expenses, fees and inducements:

Purchasing the Products involves costs and expenses for the subscriber or the purchaser. The Issue Price includes product specific initial costs and may also include inducements.

These costs, where known, will be specified in the relevant Issue Terms.

The Issuer and/or the Lead Manager may offer the Exempt Products to distributing banks, securities firms and other financial intermediaries or institutions (each an "**FI**") (i) at a discount or (ii) at the Issue Price but transfers to FIs an amount a) of up to 2% p.a. ("**Relevant Fees**"), b) of up to 3.5% p.a. ("**Significant Fees**"), c) of more than 3.5% p.a. ("**Substantial Fees**"), or d) as explicitly specified in the Issue Terms. With respect to an Exempt Product, for which the Issue Price is set out in percent, the amount may be calculated based on the Denomination of that Exempt Product. Alternatively, the amount will be calculated based on the Issue Price.

In addition or alternatively, the Issuer and/or the Lead Manager may pay recurring fees to distribution partners. To the extent such fees are charged to Investors, the individual rates will be specified in the Issue Terms.

The holder may also be subjected to on-going costs.

The Issue Price as well as the bid and ask prices provided by the Issuer during the term of the Products are based on the internal pricing models of the Issuer.

Other costs and expenses associated with the purchase of the Products which are charged to the subscriber or the purchaser, for example, by his principal bank, stock exchange or other third party, have to be disclosed by the third party.

Programme limit:

The Programme has no issuance limit.

Selling Restrictions:

The offer and sale of the Products may be restricted in certain jurisdictions as described in the section of this Securities Note '*Purchase and Sale*' below and the Issue Terms of the relevant Products.

RISK FACTORS

An investment in the Products involves substantial risks and is a riskier investment than an investment in ordinary debt securities. An investment in the Products is not equivalent to investing directly in the Underlying(s).

The Issuer believes that the following risk factors are material for the purpose of making an informed investment decision associated with the Products.

Investors should consider the following risk factors and should make any investment decision only on the basis of the Base Prospectus, comprising of this Securities Note and the Registration Document, as a whole including the documents incorporated by reference, any supplements to the Base Prospectus and the applicable Issue Terms.

Investors should not acquire Products without a thorough understanding of the mechanics of the relevant Products and without being aware of the potential risk of loss. Investors should carefully examine whether an investment in the Products is appropriate given their personal circumstances and financial situation and should consult a financial advisor to discuss any questions in advance of any investment decision.

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RISK WARNING

Investors may lose some or all of their investment in the Products where:

- **Repayment amount less than invested amount:** The terms of the Product do not provide for scheduled minimum payment of the face value or issue price of the Products at maturity. Depending on the creditworthiness of the Reference Entities and the performance of the Underlying(s), if any, Investors may lose some or all of their investment.
- **Credit risk of the Issuer:** The payment of any amount or delivery of any Underlying(s) due under the Products is dependent upon the Issuer's ability to fulfil its obligations when they fall due. For TCM Secured Products only, Investors will also have recourse to the relevant collateral. The Products (other than the TCM Secured Products) are unsecured obligations of the Issuer. The Products are not deposits and they are not protected under any deposit protection insurance scheme. Therefore, if the Issuer fails or are otherwise unable to meet its payment or delivery obligations under the Products (other than the TCM Secured Products), Investors will lose some or all of their investment. In respect of the TCM Secured Products, if the collateral is liquidated and the value of the collateral is less than the value of the TCM Secured Product, Investors may lose some of their investment.

- Other circumstances:
 - The market price of the Products prior to maturity may be significantly lower than the purchase price Investors paid for them. Consequently, if Investors sell their Products before their scheduled maturity (assuming Investors are able to), they may receive less (and potentially substantially less) than their investment.
 - The Products may be redeemed in certain extraordinary circumstances prior to their scheduled maturity and, in such case, the early redemption amount paid to Investors may be less than their investment.
 - Payment of principal or interest may occur at a different time than expected, in particular in case of a potential Credit Event that has not been finally determined.
 - The terms and conditions of the Products may be adjusted by the Issuer and/or Calculation Agent in certain circumstances with the effect that the amount payable or Underlying(s) deliverable to Investors is less than their investment.

1. *Risks with regard to the payment of interest and redemption of the Credit Linked Products*

1.1 *Interest and Redemption depend on Credit Events*

Credit Linked Products are products where the amount payable depends on whether certain Credit Events as specified in the relevant Issue Terms have occurred in respect of one or more Reference Entity(ies) and, if so, on the value of certain specified debt obligations of such Reference Entities.

Prospective Investors in any such Products should be aware that depending on the terms of the Credit Linked Products (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

In this section, the specific risks with regard to the payment of interest and redemption of the Credit Linked Products depending on Credit Events are described for each Product Type. Accordingly, the risks arising from the Product Types are described separately for specific Product Types.

The probability that these risks will materialise is largely dependent on the parameters set out in the Issue Terms. Examples for such parameters: the Reference Entity and the relevant period during which a Credit Event may occur (in most cases from the Credit Event Backstop Date, which is a date prior to the Trade Date, until the Scheduled Redemption Date or, in case of an extension, the Extension Date, each including (the "**Relevant Credit Event Period**")). The Investor should always consider the parameters defined in the Issue Terms when assessing the risks.

An investment in the Products issued under the Base Prospectus involves substantial risks for the Investor. Upon acquiring the Products, the Investor bears the insolvency risk of the Issuer and the risk of the occurrence of a Credit Event with respect to the specific Reference Entity. This can have an effect on the redemption and interest for the Products. A total loss of the amount the Investor paid for the purchase of the Products is possible.

Risks in relation to the Reference Entity(ies) can be found in section 2 "*Specific material risks with regard to the Reference Entity*".

Products with one Reference Entity (Product Types 1, 2 and 3)

The risk with respect to the Products does not only consist of the fact that the Issuer cannot make payments when the Products become due. The Investor also bears the risk that the credit standing of the Reference Entity deteriorates. This may have the result that the Reference Entity can no longer comply with its payment obligations and becomes insolvent or subject to insolvency, restructuring or recovery measures.

A Credit Event may occur with regard to the Reference Entity. In this event, interest of the Products will cease and the redemption amount of the Products will be reduced and might even be zero.

This means specifically the following:

Interest after the occurrence of a Credit Event

The interest of the Products may stop upon the occurrence of the Credit Event starting with the point in time set forth in the Issue Terms, the Interest Expiration Date. If the Credit Event occurs prior to the first Coupon Payment Date, the Investor may even not receive any interest for the Products.

Redemption after the occurrence of a Credit Event

If a Credit Event has occurred with respect to the Reference Entity, this also has substantial effects on the redemption of the Products. After the publication of the Credit Event Notice, the Redemption Amount of the Products will not be repaid on the Scheduled Redemption Date. Instead, the Investor will receive the Liquidation Amount determined on the basis of the losses for unwinding or the settlement of any hedge positions of the Issuer relating to the Reference Entity ("**Hedge Losses**"). The Liquidation Amount is normally well below the nominal amount of the Products and might even be zero (0). In the latter case, the Investor will not receive any redemption. The Cash Redemption Date can fall before or after the Scheduled Redemption Date.

The Hedge Losses may depend on losses of a credit default swap pursuant to ISDA terms ("**ISDA Credit Default Swaps**") and on how obligations of the Reference Entity are valued in ISDA auction proceedings (Auction Final Price). The Auction Final Price is normally well below the notional amount of ISDA Credit Default Swaps. It can even be valued at zero (0).

The Liquidation Amount can also be reduced as a result of the deduction of the relevant Product's pro rata share of the Settlement Expenses and Swap Costs, subject to a minimum of zero.

Upon the occurrence of a Credit Event, the probability is large that the Investor will only receive a small portion of the amount the Investor paid for the purchase of the relevant Product. The Investor will also incur losses of interest with regard to interest that has not yet been paid. This can lead to a total loss of the amount the Investor paid for the purchase.

Products with multiple Reference Entities (Product Types 4, 5 and 6)

The risk with respect to the Products does not only consist of the fact that the Issuer cannot make payments when they become due. The Investor also bears the risk that the credit standing of one or more Reference Entities deteriorates. This may have the result that the respective Reference Entity can no longer comply with its payment obligations and becomes insolvent or subject to insolvency, restructuring or recovery measures.

A Credit Event may occur with regard to the relevant Reference Entity. In this event, there can be a reduction of both the interest as well as the redemption of the Products.

This means specifically the following:

Reference Entity Weighting

In order to be able to evaluate the effective Credit Events in the case of Products with multiple Reference Entities, the Investor has to pay attention to the following:

A Reference Entity Weighting applies for each Reference Entity in the case of Products with multiple Reference Entities. The Weighting of each Reference Entity will be specified in the Issue Terms.

After the occurrence of a Credit Event with respect to one or more Reference Entities, the following applies: The Calculation Amount is the basis for calculating the future interest. The Calculation Amount initially corresponds to the nominal amount as reduced from time to time by an amount reflecting the Reference Entity Notional Amount of those Reference Entities for which a Credit Event has occurred.

Interest after the occurrence of a Credit Event

The interest on the Products is reduced after the occurrence of a Credit Event starting at the point in time specified in the Issue Terms.

If a Credit Event occurs with respect to all Reference Entities prior to the first Coupon Payment Date, the Investor may even not receive any interest for the Products.

Redemption after the occurrence of a Credit Event

If a Credit Event has occurred with respect to one or more Reference Entities, this also has substantial effects on the redemption of the Products. After the publication of the Credit Event Notice, the Redemption Amount of the Products will no longer be repaid on the Scheduled Redemption Date. Instead, the Investor will receive the Liquidation Amount based on the Hedge Losses relating to the affected Reference Entities.

The Hedge Losses may depend on losses of an ISDA Credit Default Swaps and on how obligations of the Reference Entity are valued in ISDA auction proceedings (Auction Final Price). The Auction Final Price is normally well below the notional amount of ISDA Credit Default Swaps. It can even be valued at zero (0).

The Liquidation Amount can also be reduced as a result of the deduction of the relevant Product's pro rata share of the Settlement Expenses and Swap Costs, subject to a minimum of zero.

If a Credit Event occurs, the Investor will probably only receive a fraction of the amount the Investor paid for the purchase of the relevant Product. The Investor will also incur interest losses with regard to the interest that has not yet been paid. This can lead to a total loss of the amount the Investor paid for the purchase if a Credit Event occurs for all Reference Entities.

Products with a Fixed Recovery

Credit Linked Products may be issued based on a Fixed Recovery feature. In this case, the Liquidation Amount payable following the occurrence of a Credit Event will be set at an amount fixed in the Issue Terms in advance. This means in case of a Single Name CLP, that the investors will suffer a **partial loss** of the capital invested equal to the difference between the nominal amount of the Notes and the fixed amount, and without taking into account any market or other valuation of Reference Obligations of the Issuer. In the case of a Basket CLP or a Credit Index CLP this means that the Investor will suffer a corresponding loss based on the weighting of the affected Reference Entities as part of the Reference Basket.

Products with a Zero Recovery

Credit Linked Products may be issued based on a Zero Recovery feature. In this case, the Liquidation Amount payable following the occurrence of a Credit Event will be set at an amount of zero. This means in case of a Single Name CLP, that the Investors will suffer a **total loss** of the capital invested and in the case of a Basket CLP or a Credit Index CLP that the investor will suffer a loss equal to the weighting of the affected Reference Entities as part of the Reference Basket.

Bond Linked Products

In the case of Bond Linked Products, the Investor bears the credit risk of the Reference Entity with respect to a specific Reference Obligations only. Accordingly, if a Credit Event occurs with respect to the Reference Entity and this Reference Entity, the Liquidation Amount payable at redemption will be based on the losses and the market value relevant for this Reference Obligation only. The market value of the Reference Obligation may be substantially lower than other obligations of the Reference Entity. A **total loss** of the capital invested is possible.

1.2 *Risks in connection with the determination of the Auction Final Price*

The calculation of the Liquidation Amount to be paid after a Credit Event in respect of a Reference Entity may be indirectly linked to the Auction Final Price determined in the context of ISDA auction proceedings (Auction Settlement) as the Hedge Losses to be considered for such purposes may depend on losses of ISDA Credit Default Swaps and on how obligations of the Reference Entity are valued in ISDA auction proceedings (Auction Final Price). The Auction Final Price will be determined according to an auction procedure set out in the applicable Transaction Auction Settlement Terms, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. The Auction Final Price determined pursuant to an

auction may be less than the market value that would otherwise have been determined in respect of the relevant Reference Obligation.

The Issuer and the Investors may have little or no influence in the outcome of any such auction. However, there is a possibility that the Issuer or the Calculation Agent (or one of their affiliates) would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant deliverable obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), neither the Issuer nor the Calculation Agent (or any of their affiliates) shall be under any obligation to consider the interests of any Investors and, as a result, may take action that is adverse to the interests of the Investors.

The Investor should also be aware that obligations of the Reference Entity are also most likely completely or partially lost after a Credit Event. This means: The obligations of the Reference Entity are no longer paid by the Reference Entity. Under these circumstances, these "distressed" obligations are traded and valued with corresponding deductions. This means that they are traded at a price which is very substantially below the price of the obligations prior to the Credit Event.

An obligation of the Reference Entity can exist in a currency other than Euro. This currency risk can have a negative effect in ISDA auction proceedings or when the Issuer determines the Liquidation Amount and its Hedge Losses.

Furthermore, the payment date of such redemption may be delayed until the Scheduled Redemption Date of the relevant Product. Investors may therefore be forced to wait a significant time following the occurrence of the relevant Credit Event before they receive the redemption amount owed (if any).

1.3 *Deferral of payments upon suspicion of the occurrence of a Credit Event*

It can take a long time until the Issuer has determined a Credit Event. Therefore, the Investor bears the risk that payments on the Products will be suspended or deferred by the Issuer. This can affect both interest as well as the redemption of the Products. Suspensions or deferrals are possible if it is not clear at the time of payment whether the requirements for the occurrence of a Credit Event exist.

Example:

- The Issuer is waiting to see the resolution of the ISDA Credit Derivatives Determination Committee with regard to the existence of a Credit Event.
- Where the Potential Repudiation/Moratorium applies: A deferral in payment occurs when a Credit Event threatens on the basis of a corresponding announcement. The determinative, outstanding payment obligation of the Reference Entity, however, is not yet due and could still be fulfilled.
- When considering a grace period in the case of a Potential Failure to Pay: A deferral of payment occurs when a Credit Event threatens on the basis of a corresponding failure to pay. The determinative, outstanding payment obligation of the Reference Entity is due, but it still could be fulfilled.

If a suspension or deferral of payments occurs, the Issuer has the following possibilities: The Issuer can pay the interest amount becoming due after the relevant Coupon Payment Date, and the Issuer can defer the payment of the Redemption Amount (in whole or in part) by service of an Extension Notice. Until the applicable Extension Date, the Issuer may deliver a Credit Event Notice. Investors may suffer a loss of interest in such circumstances even where a Relevant Credit Event does not occur or the Issuer does not deliver a Credit Event Notice.

1.4 *No recourse against the Reference Entity*

The Products do not establish any legal relationship between the Investor and the respective Reference Entity. The Products are neither guaranteed nor otherwise secured by the respective Reference Entity.

If a Credit Event occurs, the Investor has no claims for damages or other claims against the relevant Reference Entity. The Investor also does not benefit from any positive developments at the relevant Reference Entity after the occurrence of a Credit Event. Especially the consequences from the occurrence of a Credit Event described in the Terms and Conditions cannot be reversed. In the case of a Restructuring, the Investor does not participate in the restructuring process. The Investor is especially not entitled to completely or partially challenge the restructuring process.

1.5 *Risks in connection with the occurrence of a Redemption Failure Event*

A Redemption Failure Event may occur if (a) it is impossible or illegal for the Issuer to pay the Investor or for the Investor to receive payments of any cash amount due (including, without limitation, the obligation to pay any LiquidationAmount) or (b) the Investor fails to surrender a Credit Linked Product for cancellation or endorsement on the date they are obliged to do so.

Upon the occurrence of a Redemption Failure Event, payment of any cash amount due will be postponed. If such Redemption Failure Event continues for 180 calendar days, no payments will be made and the Issuer's obligations will be deemed to be fully discharged as of that date.

While the Investor is entitled to request payment to another account or person if the Redemption Failure Event continues for ten Business Days, this request can only be made if the Issuer first receives an irrevocable and unconditional release and indemnity in respect of liabilities arising therefrom and the Issuer may in any case refuse such request. Should the request be accepted, the Investor will be exposed to liabilities arising as a result of such request.

If a Redemption Failure Event occurs, payments to the Investor may be delayed and the Investor will not be able to reinvest the amounts and will also not be entitled to any interest or other payment as a result of the delay. If the Redemption Failure Event continues for 180 calendar days, the Issuer's payment obligations will be deemed to have been discharged. This can lead to a total loss of the amount the Investor paid for the purchase.

1.6 *ISDA terms*

Events and sets of facts which play an important role for the interest and redemption of the Products are defined in the Conditions. They are based on standard terms and conditions for financial instruments which depend on the occurrence of a Credit Event at one or more Reference Entities (Credit Derivatives).

These standard terms and conditions are referred to as the "ISDA Credit Derivatives Definitions". They were published by the International Swaps and Derivatives Association, Inc. (the "**ISDA** ") for its members in the year 2014 (the "**ISDA Terms**"). The ISDA Terms are applied by a committee established by ISDA. The members of the committee are traders and purchasers of Credit Derivatives. It has the name "ISDA Credit Derivatives Determinations Committee".

Whilst there are many similarities between the terms used in the Conditions and the ISDA Terms, there are also many substantial differences and a prospective Investor should understand that only the terms and conditions of Products as set out in the Conditions and the applicable Issue Terms apply. Consequently, investing in the Products is not necessarily equivalent to investing a credit default swap that incorporates ISDA Terms.

The Investor should pay attention to the fact that the ISDA Terms, which form the basis for the decision by the ISDA Credit Derivatives Determinations Committees, are not published in this Securities Note. The ISDA Terms are published on the website of ISDA. However, they are not visible there for everyone. They can only be obtained for a charge and in the English language.

There is also the risk that not all relevant provisions in the ISDA Terms can be viewed on the website of ISDA. In this situation, the Investor cannot check and examine the resolutions of the ISDA Credit Derivatives Determinations Committees.

The Investor bears the risk that the ISDA Terms change in the future. The interpretation of the ISDA Terms can also change. The credit derivatives market has evolved over time and is expected to continue to change. Consequently, the ISDA Terms and the terms applied to credit derivatives generally, including Credit Linked Products are subject to further evolution. Past events have shown that the view of market participants may differ as to how either set of the ISDA Terms operate or should operate. As a result of

the continued evolution of the market, the Products may not conform to future market standards. Such a result may have a negative impact on the Products and there can be no assurances that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or the Investors. In addition, these changes can be reflected in the decisions of the Issuer, for example, in the decision about whether a Credit Event has occurred with regard to a Reference Entity.

Although ISDA has published the ISDA Terms in order to harmonise transactions in the credit derivatives market, these ISDA Terms can be interpreted differently. Such different interpretations of the ISDA Terms can also have an adverse effect on the Products.

1.7 *Determinations by ISDA Credit Derivatives Determinations Committees*

The Investor should know that material decisions in connection with the Products depend on the content of the resolutions of the ISDA Credit Derivatives Determination Committees. This is especially the case in decisions about whether a Credit Event at a Reference Entity exists or not. The Investor has absolutely no influence on the resolutions of the ISDA Credit Derivatives Determinations Committees.

Such committees make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. ISDA Credit Derivatives Determinations Committees are regional committees composed of significant participants in the credit default swap market in the applicable region. ISDA Credit Derivatives Determinations Committees are typically composed of both the largest dealers in credit default swaps as well as non-dealers, but dealers typically significantly outnumber non-dealers. Further information about the ISDA Credit Derivatives Determinations Committees may be found at <https://www.cdsdeterminationscommittees.org>.

Whether or not a Credit Event has occurred or a succession event (or in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to such Reference Entity has been determined, and certain decisions relating thereto, may be dependent on determinations made by the relevant ISDA Credit Derivatives Determinations Committee.

The procedures of the ISDA Credit Derivatives Determinations Committees (DC) are set out in the DC Rules. The DC Rules may be amended by an ISDA Credit Derivatives Determinations Committee in accordance with the DC Rules. The Investor has no influence on the ISDA Credit Derivatives Determinations Committees or its rules. The Investor also cannot influence the selection of its members. The members of the ISDA Credit Derivatives Determinations Committees have absolutely no obligations towards the Investor. As a consequence, the Investor has no right to assert claims against the members of the ISDA Credit Derivatives Determinations Committees. Institutions serving on a ISDA Credit Derivatives Determinations Committee may base their votes on information that is not available to an Investor, and have no duty to research, investigate, supplement or verify the accuracy of information on which a determination is based.

They are also not bound by previous resolutions. Therefore, different decisions can be made also in the case of comparable factual situations. In addition, an ISDA Credit Derivatives Determinations Committee is not obligated to follow previous determinations or to apply principles of interpretation such as those that might guide a court in interpreting contractual provisions. Therefore, an ISDA Credit Derivatives Determinations Committee could reach a different determination on a similar set of facts.

Publications, determinations or resolutions of ISDA and/or the ISDA Credit Derivatives Determinations Committee are published on their internet page. There is no duty of the Issuer to inform the Investor about these publications, determinations or resolutions.

1.8 *Risks in connection with determinations by the Issuer*

Discretion on the part of the Issuer or the Calculation Agent can have an adverse impact on the value of the Products as well as the amount and/or the timing of the payments.

The Conditions provide that the Issuer or the Calculation Agent will make certain determinations with regard to the Products, for example, in the following areas:

- The occurrence of a Credit Event and the decision as to when and whether to deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information. Such notices are effective when published.
- There is discretion when determining the Liquidation Amount.
- There is discretion in selecting a Successor.

Whenever the Calculation Agent is required to act or to exercise its judgement, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent is not acting as a fiduciary for or an adviser to any person in respect of the Products, and acts in all respects as an arm's length contractual counterparty.

If any of the matters set out in the Credit Linked Conditions which are to be determined by the Calculation Agent are decided and/or determined by an ISDA Credit Derivatives Determinations Committee, the Calculation Agent shall follow such decision or determination to the extent such decision and/or determination is applicable to any Series of Credit Linked Products.

Investors should be aware that a determination made by the Issuer or the Calculation Agent can reduce the value of the Products. The amounts payable under the Products are then also affected by the adverse impact of such a determination by the Issuer or the Calculation Agent. The adverse impact can also affect the point in time of a payment.

1.9 *Potential Increased risk in respect of Credit Linked Products on a tranche of a Credit Index*

Credit Index CLP on a tranche of a Credit Index may create a leveraged exposure to the credit risk of Reference Entities as the investors may lose a significant part or the total amount of their investment once a pre-specified number or portion of Reference Entities within the Credit Index have been subject to a Credit Event. Accordingly, Investors will be exposed to the credit risk of each stipulated Reference Entity within the index or portfolio. A greater number of Reference Entities may lead to a greater degree of risk.

2. *Specific material risks with regard to the Reference Entity(ies)*

2.1 *Credit risk and development of the credit standing of a Reference Entity*

The Investor bears the credit risk of the Reference Entity(ies). The Investor bears the risk that the future economic development of the Reference Entity(ies) will deteriorate.

An investment in the Products involves substantial risks. The reason: The Investor additionally bears the credit risk of the Reference Entity(ies). The risk under the Products is accordingly substantially higher than in the case of a comparable investment in fixed or floating interest Products. The interest and redemption of the Products depends on whether a Credit Event occurs at one or more Reference Entity(ies).

Credit Events, from the point of view of the creditors of the respective Reference Entity, designate the occurrence or the threatening occurrence of various economically adverse circumstances. They are accordingly an expression of a material, negative development of the credit standing of the Reference Entity. The likelihood of a Credit Event occurring in respect of a Reference Entity generally fluctuates with, among other things, the financial condition of the Reference Entity, together with general economic conditions, the conditions of certain financial markets, political events, developments or trends in particular industries and changes in prevailing market rates. However, a Credit Event may occur in situations where the Reference Entity is not insolvent.

There are various Credit Events that can apply to the relevant Reference Entity. They include:

- If a company is the Reference Entity:
 - the Bankruptcy of the Reference Entity,
 - the Failure to Pay an Obligation,

- Obligation Acceleration,
Obligation Default,
Repudiation/Moratorium, or
- the Restructuring of an Obligation.
- If a sovereign is the Reference Entity:
 - the Failure to Pay an Obligation,
 - Obligation Acceleration,
Obligation Default,
 - the Reputation/Moratorium of an Obligation, or
 - the Restructuring of an Obligation.
- If a financial institution is the Reference Entity:
 - the Bankruptcy of the Reference Entity,
 - the Failure to Pay an Obligation,
 - Obligation Acceleration,
Obligation Default,
 - the Restructuring of an Obligation, or
 - Governmental Intervention related to the substance of Obligations of the Reference Entity.

Upon the occurrence of any of the default events comprising a Credit Event with respect to any Reference Entity, the Investors may suffer significant losses which could be considerably greater than would be suffered by a direct investor in the obligations of a Reference Entity and/or could arise for reasons unrelated to such Reference Entity at a time when losses may be suffered by a direct investor in obligations of such Reference Entity. Investors should also note that a Credit Event may occur even if the obligations of a Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

The occurrence of a Credit Event has the effects as set out in the relevant Issue Terms. Investors should note that not all Credit Events applicable to specific Products have easily ascertainable triggers and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. Investors should therefore carefully review the applicable Credit Events and their definitions as set out in the relevant Issue Terms.

Neither the Issuer, the Calculation Agent nor any of their respective affiliates has any responsibility to avoid or mitigate the effects of a Credit Event that is deemed to have taken place prior to the Trade Date or the Issue Date (as the case may be), and no such entity has any obligation to disclose to the Investor or to take into consideration any information, fact or matter including in relation to any such Relevant Credit Event.

Please note that a change in currency or the exit from the Euro can constitute a Credit Event for a Reference Entity. That is the case if the change in currency reduces the duties of the Reference Entity under its Obligations.

A Credit Event is determinative with regard to the Products if the Issuer publishes a corresponding Credit Event Notice. The Conditions establish the periods of time for the occurrence of a Credit Event and the publication of a Credit Event Notice by the Issuer.

Conclusions about the future (economic) development of the respective Reference Entity cannot be drawn from the past (economic) development of that Reference Entity. This also applies for the past development of comparable companies, financial institutions or countries. Therefore, the Investor has uncertainty with regard to the future (economic) development of the respective Reference Entity. Statistics about failures in the past may not take into account the events which constitute Credit Events for the Products.

After the occurrence of a Credit Event with regard to the Reference Entity, subsequent positive (economic) developments of the Reference Entity do not benefit the Investor. Especially the consequences of the occurrence of a Credit Event cannot be reversed. The Investor should accordingly assume the following: An investment in the Products can involve a higher risk than e.g. a direct investment in bonds of the Reference Entity.

Furthermore, an event can occur which has a negative effect on the credit standing of the relevant Reference Entity. Even if this does not lead to the occurrence of a Credit Event, the price of the Products can decrease. If the Investor sells the Products at this point in time in the secondary market, the Investor can incur a substantial loss. The sales proceeds the Investor realised can then be substantially lower than the amount the Investor paid to purchase the Products.

2.2 Relevant Credit Event Period

A Credit Event which is relevant for the Credit Linked Products must occur on or after the Credit Event Backstop Date and on or prior to the Scheduled Redemption Date, or in case of an extension, the Extension Date set out in the Issue Terms ("**Relevant Credit Event Period**"). The Credit Event Backstop Date may be set as a date prior to the Trade Date or the Issue Date of the Credit Linked Products in question. As a consequence, an Investor could make an investment decision in the Credit Linked Products at a time on which scheduled payments under the Credit Linked Products are deemed to be negatively effected.

2.3 Replacement of the Reference Entities or the Referenced Obligations

The Reference Entity or the composition of the Reference Entities in the case of Product Type 4, 5 or 6 can change. This is especially the situation if a Reference Entity is replaced by one or more Successors. Such a replacement takes effect upon publication of a corresponding succession notice by the Issuer.

As a result of such replacement, the affected Products may be linked to the credit of certain Reference Entities and its obligations which were not specified in the Issue Terms upon issuance. The credit risks associated with such successors could potentially be greater or lesser than the credit risk of the Reference Entities originally specified in the relevant Issue Terms, which could adversely impact the value of the relevant Products (if the credit risk increases). The Products can, therefore, suffer a loss of value. The risk of the occurrence of a Credit Event by the new Reference Entity(ies) can also increase. The Investor bears this risk. Therefore, it is possible that the Investor may suffer economic harm as a result of a change in the Reference Entity(ies).

Specifically:

Products with one Reference Entity (Product Types 1, 2 and 3)

In the case of Product Types 1, 2 or 3, the Issuer is entitled as follows:

In the case of Products with one Reference Entity, the Issuer can replace the Reference Entity in the case of a succession by one or more Successors. The Issue Terms contain provisions about selecting the Successor(s).

The Investor now bears the risk that a Credit Event can occur in the future with regard to the Successor as the new Reference Entity. If the Issuer determines more than one Successor to the Reference Entity, each of the selected Successors becomes a Reference Entity. The Investor now bears the risk that a Credit Event can occur in the future with regard to each Successor. The Products now relate proportionately to each Successor.

Products with multiple Reference Entities (Product Types 4, 5 and 6)

In the case of Product Types 4, 5 and 6, the Issuer is entitled as follows:

In the case of Products with multiple Reference Entities, the Issuer can replace a Reference Entity in the case of a succession by one or more Successors. The Issue Terms contain provisions about selecting the Successor(s).

The Investor now bears the risk that a Credit Event can occur in the future with regard to the Successor as the new Reference Entity. If the Issuer determines more than one Successor for the Reference Entity, each of the selected Successors becomes a Reference Entity. The weighting of the original Reference Entity is allocated in accordance with the number of Successors. The Investor now bears the risk that a Credit Event can occur in the future with regard to each Successor as a new Reference Entity.

In the case of Products with multiple Reference Entities, the Investor bears an additional risk. The Successor of a Reference Entity can already be a Reference Entity. This has the result that the weighting of the affected Reference Entity increases compared to the other Reference Entities. Upon the occurrence of a Credit Event at that Reference Entity, therefore, there is a higher risk of loss than in the case prior to the succession.

It is even possible that the number of Reference Entities can be reduced to one in the case of Products with two or more Reference Entities. The Investor then loses the benefit of risk diversification with two Reference Entities.

2.4 *Complex analysis*

The analysis of the risks related to the Products is complex. It can especially be difficult for the Investor to assess the probability of the occurrence of a Credit Event.

The risks related to the respective Reference Entity and the analysis of the probability of the occurrence of a Credit Event are complex.

The trading and the pricing of the Products depend on the trading and the pricing of the credit risks of the Reference Entity. Trading and pricing these credit risks occur in markets which are not very transparent and lie outside the exchanges.

It is also possible that not all bonds or obligations of the Reference Entity are traded on exchanges. This can make it difficult to analyse the probability of the occurrence of a Credit Event at the Reference Entity.

The Investor should, therefore, consider that all information for analysing the credit risks may not be complete or publicly available on a specific date. In order to assess the credit risk of the respective Reference Entity, the Investor should consider and analyse the following information. The Investor should base the investment decision on the following:

- All available public information about the capacity and the financial situation of the Reference Entity, and
- The published financial information or the published government debt.

The probability that a Credit Event occurs with regard to one or more Reference Entity(ies) depends, among other aspects, on the following factors:

- The financial position and earning situation and other key data of the relevant Reference Entity,
- The general economy,
- The position in specific markets,
- Political events, developments or tendencies in certain industries, or
- Changes in the applicable interest rates.

The Investor should, therefore, thoroughly examine the Reference Entity(ies). The Investor should especially conduct own research and make own analyses with regard to the credit standing of the Reference Entity(ies). The Investor should also analyse the probability of the occurrence of a Credit Event with regard to the Reference Entity(ies).

The Investor should be aware that the financial and earnings position of Reference Entities or government debt by governmental Reference Entities can change. The other above-mentioned parameters can also experience adverse changes during the term of the Products. The Investor should consider that information for analysing credit risks is not necessarily completely or publicly available on a specific date.

2.5 *Risks resulting from laws governing recovery and resolutions in the case of Product Type 3 and Product Type 6*

The content and scope of the applicable national legislation on recovery and resolutions of financial institutions can increase the probability of the occurrence of a Credit Event.

The law applicable to a financial institution governing recovery and resolutions can permit substantial influence and impact on the obligations of a financial institution. Measures including a reduction of debt are conceivable. All these measures can possibly occur in advance of any insolvency. Especially measures can be carried out if the financial institution threatens to fail or, for example, if the loss of the banking license must be feared.

In the case of Products related to financial institutions, the Investor must accordingly particularly pay attention to the fact that they depend to a high degree on the content and scope of the applicable national legislation on recovery and resolutions.

The Credit Event may in case of a financial institution occur with respect to a senior non-preferred debt instrument if the senior non-preferred status is specified for the respective Selected Obligation. Such senior non-preferred debt instruments rank in bankruptcy proceedings after other unsecured senior liabilities of a financial institution. Accordingly, these senior non-preferred debt instruments will become subject to resolution action before other unsecured senior liabilities. Potential investors therefore bear the risk of a Credit Event even if other senior liabilities of the financial institution are (still) not affected by a Credit Event.

2.6 *Concentration risks in the case of Product Types 4, 5 and 6*

In the case of a concentration of the Reference Entities in one industry, the risk of a deterioration of the credit standing of all Reference Entities is increased.

The Investor should pay attention to the fact that in the case of Products related to multiple Reference Entities that the credit standing of each Reference Entity can deteriorate. The deterioration of the credit standing of the Reference Entity leads to a decrease in the price for the affected Products. In the case of a concentration of the Reference Entities in one industry, the risk for a deterioration of the credit standing of all Reference Entities is higher. This is due to the fact that the credit standing of all Reference Entities can deteriorate if the parameters for the relevant industry deteriorate. This also applies if the Reference Entities are subject to similar financial risks or other similar risks.

2.7 *Risks in the case of Reference Entities in emerging countries*

Products which relate to Reference Entities in emerging countries involve additional risks.

The Reference Entities can also be an emerging country or a developing country or a company in such a sovereign. Such Products involve additional risks. They can be of a legal, political or economic nature (including a collapse of the currency).

There are substantial legal, economic and political risks in the case of emerging countries and developing countries. These risks can be greater than for EU Member States or other industrialised countries. The risks include the unstable political or economic situation, increased inflation as well as higher currency risks. There can also be less available public information about Reference Entities in emerging countries and developing countries. Securities markets in emerging countries can have a substantially lower trading volume than in developed markets. The securities markets may possibly be less liquid than developed

securities markets in industrialised countries. Experience shows that the prices in such securities markets fluctuate more strongly.

2.8 *No research and guarantees of the Issuer; no information by the Issuer*

The Investor bears the risk that the Investor will not be fully informed about the Reference Entity. Not all information about the Reference Entity is publicly available.

The Issuer does not conduct any research with regard to the respective Reference Entity. The Investor cannot rely on events being published with regard to the Reference Entity. Especially events which have occurred (shortly) before issuing the Products are not necessarily already published in publicly available sources.

The Issuer does not give any warranties or guarantees with regard to the credit standing of the Reference Entity. The selection of a Reference Entity for the Products is not based on the assessments by the Issuer with regard to the future development of the credit standing of that Reference Entity.

The Issuer's obligations in respect of Products are independent of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

The Issuer also may have non-public information with regard to the respective Reference Entity during the term of the Products. The Issuer is not required to disclose this information to the Investor. This also applies if the Issuer is not required to treat the information as confidential. The Issuer is also not required to keep the Investor continuously informed about the economic development of the Reference Entity. This also applies for information which indicates the occurrence of a Credit Event or a succession in right for the respective Reference Entity.

Therefore, there is a risk that the Issuer has better information than the Investor with regard to the Reference Entity.

2.9 *Rating information about Reference Entities*

The Investor bears the risk that the ratings for the Reference Entity deteriorate.

Ratings are produced by recognised rating agencies on the basis of public and non-public information about a Reference Entity. Published ratings about a Reference Entity, despite their wide-spread use, represent only a condensed variable for the valuation. A rating of a Reference Entity reflects the Reference Entity's credit standing. The rating constitutes an assessment of the possibilities for the Reference Entity to comply with its payment obligations in the future. A rating, however, might not be representative of all the risks that may affect the Reference Entity, can be based on limited information about the Reference Entity and does not constitute a recommendation to make investments in respect of the Reference Entity. Ratings may be modified or withdrawn at any time by any of the relevant rating agencies and might therefore change during the term of the Products. Any change in the rating of a Reference Entity can have an adverse effect on the value of the Products.

2.10 *Inaccuracy of public information*

When considering the merits and risks of an investment in Products, the Investor should be aware that public information in respect of relevant Reference Entity(ies) may be inaccurate, out of date or misleading.

3. *Risks associated with the liquidity and value of the Products, the return on the Products and the possibility of adjustment or early termination*

3.1 *The Products may not have an active trading market and an Investor must be prepared to hold the Product until its scheduled maturity*

Investors must be prepared to hold the Products until their scheduled maturity.

The Products will have no established trading market when issued, and one may never develop. If a market develops, it may not be very liquid and Investors may not be able to find a buyer. 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. As a result, Investors may not be able to sell their Products or, if they can, they may only be able to sell them at a price which is substantially less than the original purchase price.

The Products may be listed on a stock exchange but, in such case, the fact that such Products are listed will not necessarily lead to greater liquidity. If the Products are not listed or traded on any exchange, pricing information for such Products may be more difficult to obtain and they may be more difficult to sell.

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, and a significant portion of the issuance of any Products may be held by the Issuer or Lead Manager. 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. For these reasons as well, a secondary market for the Products may not develop.

The Issuer is under no obligation to make a market or to repurchase the Products (subject to the next paragraph). The Issuer and/or the Lead Manager may, but are not obliged to, at any time purchase Products at any price in the open market or by tender or private agreement. Any Products so purchased may be held or resold or surrendered for cancellation. If any Products are redeemed in part, then the number of Products outstanding may decrease. Any of these activities may have an adverse effect on the liquidity and/or price of the outstanding Products in the secondary market.

Any of the Issuer and/or the Lead Manager or other party may, as part of its activities as a broker and dealer in fixed income and equity securities and related products or pursuant to stock exchange listing requirements, make a secondary market in relation to any Products and may provide an indicative bid price on a daily basis. Any indicative prices so provided shall be determined by the relevant party in its sole discretion taking into account prevailing market conditions and shall not be a representation by such party that any Products can be purchased or sold at such prices (or at all).

However, any of these parties may suspend or terminate making a market and providing indicative prices without notice, at any time and for any reason. Consequently, there may be no market for the Products and Investors should not assume that such a market will exist. Investors may therefore not be able to sell their Product during its term and must be prepared to hold the Product until its scheduled maturity.

Additionally, in special market situations, where the Issuer and/or the Lead Manager is/are unable to enter into hedging transactions or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded in order to limit the economic risks of the Issuer and/or the Lead Manager.

3.2 *In certain circumstances, the Issuer has the right to terminate the Products prior to scheduled maturity. In such case, Investors will receive the Unscheduled Early Redemption Amount, which amount may be zero*

The Issuer has the right to early terminate the Products in certain circumstances set out in the Conditions of the Products; for example if an adjustment is not possible or upon occurrence of an Additional Disruption Event. In such case, the Issuer will redeem the Products at the Unscheduled Early Redemption Amount, i.e., in the event of an unscheduled early redemption there will be no right to payment of any amount provided for in Conditions of the Products to be calculated on the basis of a redemption formula at the end of the term. Investors should note that, such amount may be zero in the worst case, i.e., the Investor may suffer a total loss of the capital invested.

In the case of an unscheduled early redemption, the Investor may only be able to reinvest the amount to be paid by the Issuer on less favourable market terms compared with those existing when the Product was purchased.

Finally, Investors bear the risk that their expectations with respect to a potential increase in the value of a Product over its scheduled term will not be realised due to the early termination of the Product.

3.3 *Market disruptions and adjustment measures may negatively affect the value of and return on Credit Linked Products with an Underlying Component and lead to payment delays*

Under the Conditions of the Products, the Calculation Agent may determine that a Market Disruption Event (as defined in the Underlying Specific Conditions) has occurred or exists at a certain time. Such an event could lead to the postponement of a date on which the Calculation Agent is to establish a valuation of the Underlying (in some cases, potentially up to 60 calendar days) and in certain circumstances lead to the Calculation Agent estimate the relevant price or level of such Underlying and/or to a corresponding delay in the settlement of the Products. No interest shall be payable in respect of any such postponement of the settlement of the Products and any such postponement or estimate of value could have a negative impact on the value of and return on the Products.

Adjustments will be made in accordance with the terms and conditions of the Products. In the event of adjustments relating to the Underlying(s), it is possible that the estimates and/or assumptions on which an adjustment was based turn out to be incorrect and that the adjustment turns out to be unfavourable for the Investor and that the adjustment has a negative impact on the value of or return on the Products.

3.4 *Investors in listed Products or in Credit Linked Products with an Underlying Component and linked to one or more listed Underlyings are exposed to the risk that the Product or Underlying(s) could be delisted or suspended from trading, and this might have an adverse effect on the value of the Product*

It is possible that during the lifetime of the Product, an Underlying, which is a share or an ETF, is delisted or suspended from trading on the relevant exchange (respectively on the multilateral trading facility), reference market or quotation system for reasons not attributable to the Issuer.

It is also possible that the Products could be suspended from trading on or de-listed from the relevant exchange or quotation system during the lifetime of the Product. The Issuer is under no obligation to obtain a listing for any Products and, if a listing is obtained, the Issuer is under no obligation to maintain it.

In either case, there could be an adverse impact on the value of and return on the Product.

3.5 *The secondary market prices of the Products will likely be lower than the original issue price of the Products and sale of the Products in a secondary market may result in a loss*

Any secondary market prices of the Products will likely be lower than the original issue price of the Products because, among other things, secondary market prices will likely be reduced by selling commissions, profits and hedging and other costs that are accounted for in the original issue price of the Products. As a result, the price, if any, at which the Lead Manager or any other person would be willing to purchase the Products in secondary market transactions, if at all, is likely to be lower than the original issue price. Accordingly, any sale of the Product by an Investor prior to the scheduled redemption date could result in a substantial loss to the Investor.

The secondary market price of the Products may be volatile and will be affected by, amongst other things, the time remaining to the redemption date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions, developments or trends in particular industries and changes in prevailing market rates over which the Issuer has no control. Investors should therefore conduct independent investigation and analysis of any relevant Reference Entity and the applicable Credit Events in order to evaluate the merits and risks of an investment in any Products.

If listed, the Products can be traded on an exchange during their term. However, the prices of the Products are not determined according to supply and demand, since if there is a secondary market, it will likely be provided by a market maker (e.g. potentially the Lead Manager or a third party, as the case may be, in such role). Any such market maker will 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 of the market maker in which the theoretical value of the Product is essentially determined on the basis of the credit risk relating to the Reference Entity, the value of any Underlying(s) and other adjustable parameters. The other parameters may include derivative components, expected income from the Underlying(s) (e.g., dividends), interest rates, the term or remaining term of the Product, the volatility

of the Underlying(s) 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(s) develop favourably for the Investor. Please see also Risk Factor 8.1(g) "*Conflicts of interest related to market making for the Products*" below.

3.6 ***Risks associated with inflation***

The Products may be affected by the impact of inflation and the measures taken by central banks to keep inflation within certain limits. In particular, inflation may cause central banks to raise reference interest rates which may, inter alia, affect the costs of debt capital, the discount rates applied to value expected future profits and the market value of instruments with fixed coupons, and, thus, may have a negative impact on asset prices and a decline in purchasing power of the relevant currencies. Such price developments may have negative adverse effects on the Products that are using such assets as underlyings. Also, any Product with a capital protection or guarantee do not protect Investors against the impact of inflation on such Products. The impact of inflation is depending to a great extent on the relevant currency in which the Products are denominated.

3.7 ***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 Final Terms may provide for the Products to be offered during a particular subscription period. Investors 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 fixing date or any other relevant valuation date, as the case may be, which determines certain characteristics of the Products, may be adjusted 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. For these reasons, Investors in Products subject to a public offering may receive a Product with different valuation dates than expected and may not receive the Product at all.

3.8 ***There are risks where the Product has an Issuer Call Option***

Where the terms and conditions of the relevant Product provides either Issuer Call Option to be applicable, the yields received upon cancellation following a call by the Issuer be lower than expected, and – in case the redemption amount is not specified as a fixed Issuer Call Option Redemption Amount – the amount received by the Investor may be lower than the initial price the Investor paid for the Products and may be zero.

3.9 ***Investors are exposed to the risks of adverse foreign exchange rate movements where the currency of the Product is different from the currency of the Investor's home jurisdiction, and could lose some of their investment or realise a lower return than in the absence of such foreign exchange feature***

An Investor will be exposed to the risk of adverse foreign exchange rate movements where the currency of the Product is different from the currency of the Investor's home jurisdiction.

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) and cannot be predicted. Also, significant movements in exchange rates may not correlate with the performance of the Underlying(s), if any, or other variables such as interest rates, and the timing of such changes may have a negative impact on the value of and return on the Products. This may result in a significant loss of the Investor's investment in the Product or the realisation by the Investor of a lower return than it would have obtained in the absence of such foreign exchange feature.

3.10 ***Changes in tax law or in the tax treatment of the Products could have a negative impact on the value of and the return on the Product to an Investor***

Investors should note that it is possible that the tax regime applicable to the Products may be changed 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. The level and basis of taxation on the Products and on the

Investor depend on the Investor's individual circumstances and could change at any time and may have an adverse impact on the return received by the Investor under the Product.

Any statements made in this Securities Note 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 an Investor purchases the Products later, Investors 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 is possible 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. Any such tax treatment could have an adverse impact on the return received by the Investor under the Product.

3.11 *The Conditions of the Products may be amended by the Issuer without the consent of the Investors in certain circumstances*

The Conditions of the Products may be amended by the Issuer without the consent of the Investors in any of the following circumstances:

- To cure a manifest or proven error or omission;
- Where such amendment will not materially and adversely affect the interests of Investors;
- To correct or supplement any defective provision;
- Where the amendment is of a formal, minor or technical nature;
- To comply with mandatory provisions of law; and
- As a result of certain events in respect of the underlying assets (including, but not limited to, adjustment events, potential adjustment events, extraordinary events and additional disruption events (as specified in the relevant underlying specific conditions)).

For these reasons, in the above circumstances, the terms and conditions of an Investor's Product may be amended without the Investor's consent and/or against the Investor's wishes.

4. *Risks of the Products associated with the credit risk relating to the Issuer*

4.1 *Investors bear the credit risk of the Issuer as the Products (other than the TCM Secured Products) are neither secured nor guaranteed by any deposit protection fund, any government or any governmental agency.*

The Products (other than the TCM Secured Products) (the "**Unsecured Products**") issued by the Issuer (i) are unsecured and unsubordinated general obligations of the Issuer, and not of any of its affiliates, (ii) are not savings accounts or deposits of the Issuer and (iii) will rank *pari passu* among themselves and with all other unsecured and unsubordinated indebtedness of the Issuer, except obligations, that are subject to any priorities or preferences by law.

Therefore, if the Issuer fails or is otherwise unable to meet its payment or delivery obligations under the Unsecured Products, Investors will lose some or all of their investment.

In the event of the insolvency of the Issuer, Investors in the Unsecured Products may lose their claim to repayment of the capital invested by them in whole or in part.

In respect of TCM Secured Products, in the event that the collateral is liquidated and the value of the collateral is less than the value of the TCM Secured Product, Investors will be exposed to the credit risk of the Issuer and may lose some of their investment.

None of the Products constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes ("**CISA**") and are neither subject to the authorisation nor the supervision by the Swiss Financial Market Supervisory Authority ("**FINMA**") and Investors do not benefit from the specific investor protection provided under the CISA.

4.2 *In the case of TCM Secured Products, Investors bear the credit risk of the Issuer to the extent that the collateral for the Products does following its liquidation not cover the Investor's claims in full*

The collateralisation in accordance with the terms of the TCM Security Agreement eliminates the Issuer default risk only to the extent that the proceeds from the liquidation of collateral upon occurrence of a Realisation Event (less the costs of the Collateral Agent in respect of the liquidation and payout of the liquidation proceeds) are able to meet the Investors' claims. If the current value of the Product is set too low or the value of collateral is set too high prior to liquidation, the collateralisation of the Product may be insufficient to satisfy the Investors' claims. If the Conditions provide for a termination right of the Issuer in the event that the TCM Security Agreement is terminated, the Investor bears the reinvestment risk if the Issuer exercises its termination right.

In respect of TCM Secured Products, the Investors bear the following risks (among others): (i) the Collateral Provider is unable to supply the additionally required collateral if the value of the TCM Secured Product rises or the value of the collateral decreases; (ii) in a Realisation Event, the collateral cannot be liquidated immediately by the Collateral Agent 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 payment of the pro-rata share of net liquidation proceeds may be made in a currency that is not the settlement currency of the TCM Secured Product; (v) the collateralisation is challenged according to the laws governing debt enforcement and bankruptcy, such that the collateral cannot be liquidated according to the terms of the TCM Security Agreement.

The collateralisation of the TCM Secured Products does not eliminate the risk that there might not be a buyer for the TCM Secured Product during its lifetime and the Investor may need hold the TCM Secured Product until maturity.

Any costs of the liquidation of the collateral shall be covered out of the proceeds of the liquidation of the collateral.

The payment of the net liquidation proceeds to the Investors may be delayed for factual or legal reasons.

The Collateral Agent is not required to undertake investigations with regard to the occurrence of a Realisation Event. In determining the occurrence of a Realisation Event, it bases its decision on reliable sources of information only. The Collateral Agent determines with binding effect for the Investors whether an incident qualifies as a Realisation Event and at what point in time the Realisation Event occurred and such a determination may or may not be in the favour of Investors.

The Conditions of the TCM Secured Products may provide for a termination right of the Issuer in the event that (i) the TCM Security Agreement is terminated and (ii) due to such termination it is not possible to collateralise the TCM Secured Products in accordance with the provisions of the TCM Security Agreement. If the Issuer exercises its termination right, the Products will be redeemed early and the Investors bear the risk that their expectations with respect to an increase in the value of the TCM Secured Products may no longer be satisfied due to the early redemption. In the case of a termination, it must also be considered that the Investors bear the reinvestment risk. This means that he or she may possibly only be able to reinvest the early redemption amount paid by the Issuer on more unfavourable market conditions than those existing when the Product was purchased.

5. *Risks associated with Credit Linked Products with an Underlying Component*

The following is a description of certain risks associated with Credit Linked Products linked to one or more Underlyings.

5.1 *Risks associated with the Redemption Amount if no Credit Event has occurred*

In case of Credit Linked Products with an Underlying Component, the Redemption Amount will be dependent on the performance of the Underlying and may be subject to a Cap.

5.2 Risks associated with the Redemption Amount if a Credit Event has occurred

If a Credit Event occurs in respect of a Credit Linked Product with an Underlying Component, the redemption of the Products will be based on the Liquidation Amount, taking into account the costs or gains from the settlement of the Issuer's hedging positions with respect to the relevant Underlying(s). These costs may be higher in cases where the price of the Underlyings performs unfavourably for the Investor. Accordingly, the Liquidation Amount will not only be reduced by the Hedge Losses relating to the affected Reference Entities but also due to price movements of the Underlyings.

5.3 Risks associated with certain features of the Credit Linked Products with an Underlying Component

(a) There are risks where the Products have a 'leverage' feature

'Leverage' refers to the use of financial techniques to gain additional exposure to the Underlying(s). A leverage feature will magnify the impact of the performance of the Underlying(s) to cause a greater or lower return on the Product than would otherwise be the case in the absence of leverage. As such, a leverage feature magnifies losses in adverse market conditions. In the terms of the Products, the leverage feature may be referred to variously as 'Participation', or other term and the Products will have 'leverage' where any of these factors is equal to more than 100 per cent. (or 1.00). The inclusion of such a leverage feature in the Products means that the Products will be more speculative and riskier than in the absence of such feature, since smaller changes in the performance of the Underlying(s) can reduce (or increase) the return on the Products by more than if the Products did not contain a leverage feature. Investors should be aware that a small movement in the value of the Underlying(s) can have a significant effect on the value of the Products. Products with a leverage feature are more likely to be affected by automatic cancellation in accordance with their terms below. In such event, an Investor may lose their investment.

(b) There are risks where the redemption of the Products depends only on the final performance

If the Products determine the redemption amount based on the performance of the Underlying(s) as at the final valuation date only (rather than in respect of multiple periods throughout the term of the Products) then the Investor may not benefit from any movement in level, value or price of the Underlying(s) during the term of the Products that is not reflected in the final performance.

(c) There are risks in relation to Products where the 'strike level' is predetermined

In respect of Products for which a 'Strike Level' is specified in the Issue Terms, notwithstanding that the strike level is specified as a percentage of the Initial Fixing Level in the Issue Terms, the strike level was determined on a date prior to the date on which the Initial Fixing Level is determined. As a result the strike level will not reflect current market prices of the Underlying. The probability of the occurrence of any events, along with any amounts due to Investors, that are determined by reference to the strike level(s) of the Underlyings will be different than if such amount or events were determined by reference to current market prices of the Underlying(s).

5.4 There are risks in relation to Credit Linked Products with an Underlying Component linked to a basket of Underlyings which are shares or share indices

Where Products are linked to a basket of Underlying(s), Investors will be exposed to the performance of each Underlying in the basket and Investors should refer to the relevant risk factors in the section relating to each of the asset classes represented. Investors should also consider the level of interdependence or 'correlation' between each of the basket constituents with respect to the performance of the basket. If the Underlying(s) are correlated, the performance of the Underlying(s) in the basket can be expected to move in the same direction (and vice versa) and investors should consider the impact of this 'correlation' on the performance of the Products.

Investors should be aware that the performance of a basket with fewer constituents will be more affected by changes in the values of any particular basket constituent than a basket with a greater number of basket constituents.

The performance of basket constituents may be moderated or offset by one another. This means that, even in the case of a positive performance of one or more constituents, the performance of the basket as a whole may be negative if the performance of the other constituents is negative to a greater extent.

If the Underlyings in the basket have different weights, Investors should consider that the lower the weighting of the Underlying, the lower the impact of the performance of such Underlying on the performance of the entire basket.

5.5 *Investors are exposed to the risks of adverse foreign exchange rate movements where the currency the Underlying(s) needs to be converted to the currency of the Product, and could lose some of their investment or realise a lower return than in the absence of such foreign exchange feature*

If the return on the Product is dependent on one or more foreign exchange rate(s) – for example the currency of the Underlying(s) needs to be converted to the currency of the Product – an Investor is also exposed to the risk of adverse movements in the value of the relevant foreign currency compared to the relevant base currency or currency of the Product.

6. *Risks associated with the Underlyings*

6.1 *Risks associated with Credit Linked Products with an Underlying Component linked to Underlying(s) which are shares*

(a) *Variable unpredictable factors may affect the performance of shares*

The performance of the relevant 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. Any one or a combination of such factors could adversely affect the performance of the Underlying(s) which, in turn, would have an adverse effect on the value of and return on the Products.

(b) *Investors will not be able to participate in dividends or other distribution on the shares*

Investors in Products linked to shares will not have any voting rights or rights to dividends or interest payments or other distributions or other rights relating to the share. Therefore, the return on the Products may be lower than holding such Underlying(s) directly.

(c) *Actions by the issuer of a share may negatively affect the Products*

The issuer of common shares of a company will not have participated in the offering and issuance of the Products and none of the Issuer or the Lead Manager will have made any investigation or enquiry in relation to the share issuer for the purposes of the Products. Therefore, there can be no assurance that all events occurring prior to the Issue Date of the Products that would affect the trading price of the relevant share(s) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the share issuer could affect the trading price of the share and therefore the price of the Products. Also, investors should be aware that the issuer of any common shares may or may not take actions in respect of common shares without regard to the interests of investors in Products and any of these actions could have a negative effect on the value of and return on the Products.

6.2 *Risks associated with Credit Linked Products with an Underlying Component linked to Underlying(s) which are 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 (if applicable) the reinvestment of any dividend payments relating to the components contained in the index, may have an impact on the performance of the Products.

In the case of a 'price index' as an underlying, investors should note that dividend payments are in principle not taken into account (whereas in the case of a 'performance index' the calculation of such index takes into account all dividend payments). Therefore, investors should note that they will not participate in any dividend payments with regard to the components contained in the underlying.

Investors should note that the index sponsor or the person responsible for the composition of the index as well as the Issuer may be subject to new regulatory requirements with regard to the publication and the use of an index during the term of the Products which may require an admission or a registration of the respective index and an index modification in order to comply with the statutory provisions. Therefore, it cannot be excluded that an index will be modified, cancelled or may no longer be used. In each of these cases the Issuer and/or the Calculation Agent is entitled to make adjustments pursuant to the Conditions and to make determinations with respect to the price of the index in its discretion in order to calculate the amount owed at the end of the term of the Product and/or after an exercise or in the case of a termination of the Products.

The index sponsor may, in its reasonable discretion, either (i) on a regular basis and, as the case may be, on non-predetermined dates or (ii) upon the occurrence of extraordinary events, remove or replace or add new components to such an index or make other changes to the methodology. A new component may perform significantly better or worse than the replaced component, which in turn may affect the payments to be made by the Issuer to the Investor. The index sponsor or the person responsible for the composition of the index may also change, discontinue or suspend the calculation or distribution of the index and there can be no assurance that such decisions will be beneficial to the performance of the index. The index sponsor of an index may take any action in relation to the index without regard to the interests of the Investor and any such action may adversely affect the market value of the Products.

The rules of the index may provide, where applicable, that an index fee shall be charged by the index sponsor or by the index calculation agent or by the person responsible for the composition of the index which reduces the level of the index. This will particularly be the case if there is a discretion of the index sponsor or the index calculation agent or the person responsible for the composition of the index regarding the selection of the index components. Accordingly, there is a risk that the index does not reflect the performance of the index components or does so only partially. In the case of indices whose start date is close to or shortly before the Initial Fixing Date or the Fixing Period of the Products, historical information on the performance of the index is missing or is only available to a limited extent.

6.3 *Risks associated with Products with an Underlying Component linked to Underlying(s) which are ETFs*

In the case of Products linked to exchange traded fund ("ETF"), the redemption amount depends on the performance of the ETF which in turn is dependent on the asset contained or referenced by the ETF ("ETF Underlying"). ETF Underlyings may be a specified index referenced by the ETF or specific shares or other assets.

The performance of an ETF is dependent upon the macroeconomic factors affecting the performance of the ETF Underlyings 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 ETF may adversely affect the market value of, and the return (if any) on, the Products linked to such ETF.

(a) *Exposure to the risk that the return on the Product does not reflect the return on a direct investment in the ETF Underlying*

An Investor's return on Products linked to one or more ETFs may not reflect the return such Investor would realise if he or she actually owned the relevant ETF shares or ETF Underlying. For example, if the ETF Underlying includes a portfolio of shares or a share index, Investors in the Products linked to such ETF will not receive any dividends paid on such shares or the shares included in such share index and will not benefit from those dividends. Similarly, Investors in Products linked to an ETF will not have any voting rights in the shares or other assets that are included in the portfolio(s) of the ETF Underlying. Accordingly, an Investor in Products linked to an ETF 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 ETF shares or ETF Underlying.

(b) ***A change in the composition or discontinuance of the ETF 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 ETF or any index that such ETF is intended to replicate. The management company or the licensor/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 ETF or of such underlying index, respectively. The substitution of assets included in the portfolio of an ETF Underlying or in an underlying index, respectively, may affect the value of such ETF, 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/sponsor of any underlying index may also alter, discontinue or suspend calculation or dissemination of information on such underlying index. The management company and licensor/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/sponsor of such underlying index may take any actions in respect of 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 an ETF will be identical to the performance of the assets included in the portfolio of the ETF Underlying or which the ETF intends to replicate, respectively, due to many factors.

(c) ***Risks in relation to market price***

The market price of shares in an ETF 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 ETF shares could be higher or lower than its net asset value, and will fluctuate during the trading day.

The performance of ETF(s) with an ETF Underlying that is concentrated in the assets of a particular industry or group of industries could be more volatile than the performance of ETFs with ETF Underlyings of more diverse assets.

(d) ***Risks in relation to costs of ETFs***

An ETF's performance will be affected by the fees and expenses which it incurs, as described in its offering documents.

(e) ***Risk in relation to the ETF Underlying***

Contrary to the situation with other investment funds, ETFs are generally not actively managed. Instead, the investment decisions are dictated by the relevant ETF Underlying, in particular in case of an underlying index, and its components. The following accordingly applies: An adverse development in the ETF Underlying is passed on without any reduction and leads to a decrease in the net asset value of the ETF and the ETF share price determined on the respective exchange.

6.4 ***Risks associated with Products with an Underlying Component linked to Underlying(s) which are inflation indices***

(a) ***Risks related to price development***

Changes in the prices of consumer goods and services may have a negative effect for the Investor on the Underlying Component.

Inflation indices measure how average prices of consumer goods and services (the "**Basket of Goods**") purchased by private households change over the time in a particular country, market or region. The level of an inflation index is calculated based on the value of its Basket of Goods. Changes in the prices of various consumer goods and services in the Basket of Goods may

directly affect the inflation index. Although central banks generally try to achieve a slightly positive inflation rate by means of certain interventions (e.g. changes in the key interest rate) (in which case the relevant inflation index usually rises), the inflation rate may also fall (in which case the relevant inflation index usually falls).

(b) ***Risks related to the performance of the inflation index***

The performance of an inflation index may differ from the actual price development.

Inflation indices are usually calculated for a variety of different Baskets of Goods. In particular, certain goods or services may be disregarded (e.g., tobacco, energy or fuel). The performance of these inflation indices for the same country, market or region may therefore differ significantly. Investors should therefore pay close attention to the composition of the respective inflation index when making their investment decision.

An inflation index is simply a statistical measure, which may differ from the actual price development of the goods and services in the Basket of Goods (e.g., in a particular region). An investment referred to an inflation index can therefore only be suitable to a limited extent for compensating or hedging the actual price development.

(c) ***Risks related to the composition of an inflation index***

The composition of an inflation index may change.

Inflation indices can also be calculated on the basis of provisional data. If after its publication it turns out that these data were not accurate, a recalculation and publication of the price of the inflation index for the relevant period (revision) may be made. These revisions may be substantial. Before purchasing the Products, Investors should therefore take into account whether the Products in question are calculated on the basis of the revised or unrevised inflation index. If the Products are calculated on the basis of the unrevised inflation index, changes in the price of the Underlying Component after its initial publication will not be taken into account.

(d) ***Risks related to the calculation of the inflation index***

As a result of the delayed publication of an inflation index, the inflation rate used for the calculation of the Securities may differ from the actual inflation rate.

Generally, an inflation index is calculated on a monthly basis, with a significant time delay for publication. Therefore, the calculation of the payments to be made by the Issuer under the Products for a certain period of time (e.g. an interest period) is usually based on a price of the inflation index that has already been published for a period of time in the past. Due to this time lag, there may be significant differences between the inflation rate used for the relevant calculation and the actual inflation rate for the relevant calculation period.

6.5 ***Risks associated with Products with a Coupon based on a Reference Rate (including interest rates)***

Reference rates are mainly dependent upon the supply and demand for credit in the money market, i.e., the rates of interest paid on investments, determined by the interaction of supply of and demand for funds in the money market. The supply and demand in the money market on the other hand is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors, or upon other factors, depending on the specific type of reference rate. Such factors affecting the performance of a reference rate may adversely affect the market value of, and return (if any) on, Products linked thereto.

In principle, the Issuer and/or the Calculation Agent (as the case may be) have no influence on the determination of the reference rate(s). Reference rates are generally calculated by an independent organisation or a governmental authority, often based on information provided by market participants. The entity publishing an interest rate or reference rate can modify the calculation method for determining such reference rate or make other methodological changes that could affect the value of the interest rate or reference rate. The calculation or dissemination of such reference rate may also be altered, discontinued or suspended. The entity publishing a reference rate is not involved in the offer and sale of

the Products and has no obligation to invest therein. The entity publishing a reference rate may take any actions in respect of such reference rate without regard to the interests of the Investors in Products and any of these actions could adversely affect the market value of such Products.

6.6 *Risks associated with emerging markets Underlying(s)*

Investments in 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 currency of the Products, 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.

6.7 *The regulation and reform of certain published rates, indices, and other values or "benchmarks" may adversely affect the value of and return on the Products linked to such values or benchmarks*

A number of major interest rates, other rates, indices and other published values or benchmarks are the subject of national and international regulatory reforms. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value of and return on Products linked to any such value or benchmark.

The Benchmarks Regulation

The EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**") is a key element of the regulatory reform on such benchmarks in the EU and is in force, subject to certain transitional provisions, since 1 January 2018. In addition to "critical benchmarks" such as EURIBOR, other interest rates, foreign exchange rates, and indices, including equity, commodity and "proprietary" indices or strategies, are in most cases within scope of the Benchmarks Regulation as "benchmarks" where they are used to determine the amount payable under, or the value of, certain financial instruments (including Products listed on an EU regulated market or EU multilateral trading facility (MTF)), and in a number of other circumstances.

The Benchmarks Regulation applies to the contribution of input data to a benchmark, the administration of a benchmark, and the use of a benchmark in the EU. Amongst other things, the Benchmarks Regulation requires EU benchmark administrators to be authorised or registered as such and to comply with extensive requirements relating to benchmark administration. It also prohibits certain uses by EU supervised entities of (a) benchmarks provided by EU administrators which are not authorised or registered in accordance with the Benchmarks Regulation and (b) benchmarks provided by non-EU administrators where (i) the administrator's regulatory regime has not been determined to be "equivalent" to that of the EU, (ii) the administrator has not been recognised in accordance with the Benchmarks Regulation, and (iii) the benchmark has not been endorsed in accordance with the Benchmarks Regulation.

ESMA maintains a public register of EU-approved benchmark administrators and non-EU benchmarks pursuant to the Benchmarks Regulation (the "**ESMA Register**").

The Benchmarks Regulation may have a material impact on Products linked to a 'benchmark'. For example:

- A rate or index which is a 'benchmark' may not be used or may in the future no longer be used in certain ways by an EU supervised entity if (subject to applicable transitional provisions) its administrator does not obtain or maintain authorisation or registration (or, if a non-EU entity, does not satisfy the 'equivalence' conditions and is not 'recognised' pending an equivalence decision);
- The methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmark Regulation, for example in cases of future changes to it or a change in administrative interpretation of its terms, and such changes could reduce or increase the rate or level or affect the volatility of the published rate or level, and (depending on the terms of the particular Products) could lead to adjustments to the terms of the Products, including potentially determination by the Calculation Agent of the rate or level in its discretion; and
- The ongoing and increasing regulation of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer certain benchmarks or to participate in the determination of certain benchmarks, triggering changes in the rules or methodologies used in certain benchmarks or leading to the disappearance of the benchmark.

In this regard, there is a risk that a benchmark may be changed in substance and thereafter performs differently than it has done in the past, and may not be continued or may not be used in connection with the Products. Moreover, a competent authority may order the cessation of a certain benchmark which is not or no longer compliant with legal requirements or may declare a benchmark as no longer being representative for the underlying market it measures. In such cases, it should be noted that it is in the discretion of the Issuer to make adjustments to the terms of the Products, to delist or to early redeem the Products (as applicable).

Any such consequence could have a material adverse effect on the value of and yield on any Products linked to such a benchmark.

Reform and replacement of Interbank Offered Rates

Amongst other developments, relevant authorities have strongly encouraged the market the transition away from Interbank Offered Rates ("**IBORs**"), such as LIBOR, and based on an announcement of the Financial Conduct Authority in the United Kingdom in March 2021, most LIBOR settings ceased to be published by the end of 2021 and some US dollar settings by July 2023. In the meantime, so called "risk free rates" ("**RFR**") have been identified to eventually take the place of such IBORs as primary benchmarks. This includes (i) for sterling LIBOR, a reformed Sterling Overnight Index Average ("**SONIA**"), (ii) for EONIA, a new Euro Short-Term Rate (ESTR) as the new euro risk-free rate, and (iii) for USD LIBOR, the Secured Overnight Financing Rate ("**SOFR**") to be eventually established as the primary US dollar interest rate benchmark. It is not known whether still existing IBORs will continue long-term in their current form.

While IBORs represented interbank funding over different maturities, RFRs are overnight rates and have a different methodology and other important differences from the IBORs they will eventually replace. RFR have little, if any, historical track records. As a result, RFR can perform materially different than IBORs in the past, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For example, since publication of SOFR began in April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

RFR are published based on data received from other sources, the Issuer has no control over. It can not be excluded that an RFR will be discontinued or fundamentally altered in a material manner. An established trading market for RFR based Products may never develop or may not be very liquid. Market terms for debt securities that are linked to RFR, such as the spread over the base rate reflected in the interest rate provisions, may evolve over time, and as a result, trading prices of RFR based Products may be lower than those of later-issued debt securities that are linked to €RFR. Similarly, if an RFR does not prove to be widely used in debt securities that are similar or comparable to the RFR based Products, the trading price of RFR based Products may be lower than those of debt securities that are linked to rates that are more widely used. Furthermore, interest on RFR based Products is only capable of being determined immediately or shortly prior to the relevant Coupon Payment Date. It might be difficult for Investors to estimate reliably the amount of interest that will be payable on such Products, and investors might be unable or unwilling to trade such Products.

All these factors may materially impact the return on the Products, its market value as well as liquidity. Investors in the RFR based Products may not be able to sell the Products at all or may not be able to sell the Products at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer losses from increased pricing volatility and market risk.

6.8 Risks associated with Underlying(s) denominated in renminbi

(a) Renminbi is subject to the People's Republic of China exchange control policies

Renminbi is not freely convertible and is subject to exchange control policies and restrictions of the People's Republic of China government. As a result of restrictions imposed by the People's Republic of China government on cross-border renminbi fund flows, the availability of renminbi outside the People's Republic of China is limited, which may adversely affect the liquidity of renminbi outside the People's Republic of China, which in turn may adversely affect the market value, and the potential return, of Products linked to or denominated in renminbi.

(b) Risks relating to renminbi exchange rate and interest rate

If specified in the Issue Terms, the Product will be denominated and settled in renminbi outside the People's Republic of China. The exchange rate of, and interest rate for, renminbi outside the People's Republic of China may be different from the same in the People's Republic of China. The value of renminbi against Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the People's Republic of China and international political, economic and market conditions and by many other factors. There is no guarantee that renminbi will not depreciate and any devaluation of renminbi could adversely affect the market value of the Product. In addition, interest rates for renminbi in the People's Republic of China government are controlled. The People's Republic of China government may further liberalise the regulation of interest rates for renminbi in the People's Republic of China which may increase interest rate volatility for renminbi outside the People's Republic of China. Any fluctuation in interest rates for renminbi outside the People's Republic of China may adversely affect the market value, and the potential return, of the Product.

(c) Risks relating to renminbi payment risk

If the Settlement Currency of the Product is renminbi, and FX Disruption Event is 'Applicable' in the Issue Terms and has occurred and is continuing on, a scheduled date of payment, payment may be made in the Specified Currency on the postponed payment date if a Specified Currency is chosen in the Issue Terms. In such case, there may be a delay in payments under the Product and no interest will be payable for any such delay. Investors may also suffer a loss in Specified

Currency terms if renminbi depreciates against the Specified Currency following the occurrence of an FX Disruption Event.

6.9 **General**

- (a) ***The value of and return on the Products will depend on the performance of the Underlying(s), but such performance is not possible to predict and the economic relationship between the value of and return on the Products will depend on the performance of the Underlying(s) may not be clear and may change over time and be affected by other matters***

The calculation of the redemption amount payable 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 one or more Underlying(s) during the term. This means that there is a connection between the economic value of the Products and the economic value of the Underlying(s) to which the Product is linked.

However, 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 relevant Underlying(s) since the market value of the Products may also be affected by factors other than the current price of the relevant Underlying(s), such as volatility of such Underlying(s), dividend payments or movements in the general interest rates etc. Therefore, positive changes in the price of the relevant Underlying(s) 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 relevant Underlying(s) remains constant. Investors should note that changes in the price of the relevant Underlying(s) (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. In particular, Investors should not assume that the price of the Products will recover in time in view of the limited life of the Products.

Depending on the performance of the Underlying(s) and the Product, Investors may lose some or all of their investment.

- (b) ***Investors have no claim against or interest in any Underlying(s)***

The Issuer has no obligation to hold the Underlying(s). Investors will not have any legal or beneficial rights of ownership in the Underlying(s). For example, where the Underlying(s) is a share, Investors will have no voting rights, no rights to receive dividends or other distributions or any other rights with respect to the Underlying(s). In addition, Investors will have no claim against any share issuer, index sponsor, fund issuer, fund sponsor or any other third party in relation to an Underlying(s); such parties have no obligation to act in Investors' interests. Accordingly, Investors in the Products may receive a lower return on the Products than they would have received had they invested directly in the Underlying(s).

- 6.10 ***Payments on the Credit Linked Products with an Underlying Component which is a share or a share index may be treated as "substitute dividend equivalent" payments and subject to US withholding tax***

Under section 871(m) of the US Internal Revenue Code of 1986 (the "**Code**") and regulations thereunder, a payment on a financial instrument that references a US equity or an index that includes a US equity may be treated as a "dividend equivalent" payment. Such payments generally will be subject to US withholding tax at a rate of 30 per cent. If withholding applies, the Issuer will not pay any additional amounts with respect to amounts withheld. The relevant Issue Terms will indicate if the Issuer has determined that a Credit Linked Products with an Underlying Component which is a share or a share index is subject to withholding under section 871(m) of the Code. Although the Issuer's determination generally is binding on Investors, it is not binding on the US Internal Revenue Service. The US Internal Revenue Service may successfully argue that payments on an Equity and Credit Linked Product are subject to withholding under section 871(m), notwithstanding the Issuer's determination to the contrary. Investors should consult their tax advisors regarding the US federal income tax consequences to them of section 871(m) and regulations thereunder, and whether payments or deemed payments on the Credit Linked Products with an Underlying Component which is a share or a share index constitute dividend equivalent payments.

7. ***Risks associated with Proprietary Indices as Underlying(s)***

Unless the context otherwise requires, all capitalised terms which are not defined in this Securities Note will have the meanings given to them in the rules of the Relevant Index (as defined below).

7.1 ***Risks relating to Proprietary Indices generally***

(a) ***The Issuer is the sponsor of each Proprietary Index and each Underlying Strategy (if any)***

The Issuer (or an affiliate) is the sponsor of each Proprietary Index and each Underlying Strategy (if any) (each a "**Relevant Index**"). Each Relevant Index has been developed, owned, calculated and maintained by the Issuer (or an affiliate), and it has the responsibility for the composition, calculation and maintenance of such Relevant Index. As index sponsor, the Issuer (or an affiliate) may also amend the rules of the Relevant Index from time to time, or discontinue it, in its discretion. In its capacity as index sponsor, the Issuer (and any applicable affiliate) is under no obligation to take into account the interests of an Investor of the Products that references a Proprietary Index. Any such determinations made by the Issuer as index sponsor in relation to each Relevant Index may have a negative impact on the value of and return on your Products.

(b) ***Investors in the Relevant Index could lose their entire investment***

The value of the Relevant Index depends on the performance of the components, each of which may increase or decrease in value. Neither the Relevant Index nor any of the components includes any element of capital protection or guaranteed return. The value of any component, or the Relevant Index itself, may fall below its initial value.

(c) ***The value of the Relevant Index may be zero***

The value of the Relevant Index is floored at zero. If the methodology for calculating the value of the Relevant Index would otherwise result in the value of the Relevant Index on any business day of less than zero, the value of the Relevant Index shall be deemed to be zero on such business day and all subsequent business days. Any transaction or product linked solely to the Relevant Index may lose all of its value, with no chance of recovery thereafter.

(d) ***The methodology underlying the Relevant Index may not produce positive returns and the Relevant Index may underperform other alternative investment strategies***

No assurance can be given that the methodology underlying the Relevant Index will be successful in producing positive returns or that the Relevant Index will outperform any other alternative investment strategy. Furthermore, the results that may be obtained from investing in any transaction or product linked to the Relevant Index may well be significantly different from the results that could theoretically be obtained from a direct investment in the relevant components or any related derivatives thereto.

(e) ***Gains from an investment in transactions or products linked to the Relevant Index may be reduced by the deduction of embedded costs***

Nominal embedded costs may be included within the Relevant Index and if so, will reduce the level of the Relevant Index. Notional costs may be deducted from the performance of the Relevant Index to synthetically reflect the transaction costs that a hypothetical investor would incur if such hypothetical investor were to enter into and maintain direct investment positions to provide the same exposure as the Relevant Index. These embedded costs will reduce the value of the Relevant Index.

(f) ***The Relevant Index is not actively managed***

The exposure of the Relevant Index to its components is determined in accordance with the index methodology set out in the relevant Index Rules. Therefore, there will be no active management of the Relevant Index so as to enhance returns beyond those embedded in the Relevant Index. Market participants often adjust their investments promptly in view of market, political, financial or other factors. An actively managed investment may potentially respond more directly and appropriately to immediate market, political, financial or other factors than a

non-actively managed strategy such as the Relevant Index. No assurance can be given that the Relevant Index will replicate or outperform a comparable strategy which is actively managed and the return on the Relevant Index may be lower than the return on an actively managed strategy.

(g) ***The Relevant Index may not be a fully diversified portfolio***

Diversification is generally considered to reduce the amount of risk associated with generating returns. The exposure of the Relevant Index may be concentrated in certain industrial sectors and a single geographical market. There can be no assurance that the Relevant Index will be sufficiently diversified at any time to reduce or minimise risks of volatility. The more concentrated the Relevant Index is in certain industrial sectors and/or geographical markets, the greater degree of volatility the Relevant Index may exhibit, and this could in turn result in an adverse effect on the returns of the Proprietary Index.

In addition, components in certain industrial sectors and/or geographical markets may suffer the same adverse performance following a general downturn or other economic or political event, and this could in turn have an adverse effect on the returns of the Relevant Index.

(h) ***The actual weights or quantities of component(s) may vary following each rebalancing***

The actual weight or quantity of each of the components of the Relevant Index may be different than the assigned weights or quantities, and therefore the relative contribution of each component of the Relevant Index to the level of the Relevant Index may vary from time to time, depending on the performance of each of the components relative to the other components since such immediately preceding rebalancing. The longer the period between each rebalancing, the greater the likelihood that there will be a significant variance between the absolute values of the weights or quantities of the components and the Relevant Index may therefore have an exposure to a component further below or in greater excess of its assigned weight than it would if the period were shorter, which may result in a greater skewing of the absolute nature of the investment positions with respect to the components and increase the overall risk profile of the Relevant Index.

(i) ***Historical levels of a Relevant Index may not be indicative of future performance***

Past performance of a Relevant Index is no guide to future performance. It is impossible to predict whether the value of a Relevant Index will rise or fall. The actual performance of a Relevant Index in the future may bear little relation to the historical performance of a Relevant Index.

(j) ***Historical analysis or other statistical analysis in respect of the Relevant Index is no guarantee of the performance of the Relevant Index***

Certain presentations and historical analysis or other statistical analysis materials in respect of the operation and/or potential returns of the Relevant Index which may be provided are based on simulated analyses and hypothetical circumstances to estimate how the Relevant Index may have performed prior to its Launch Date. Neither the index sponsor nor the issuer of any product linked to the Relevant Index provides any assurance or guarantee that the Relevant Index will operate or would have operated in the past in a manner consistent with those materials. As such, any historical returns projected in such materials or any hypothetical simulations based on these analyses or hypothetical values, which are provided in relation to the Relevant Index, may not reflect the performance of, and are no guarantee or assurance in respect of the performance or returns of, the Relevant Index over any time period.

(k) ***There are certain risks in relation to back-testing***

The index calculation agent will designate the "Start Date", on which the value of the Relevant Index is equal to the "Initial Value" as specified in the relevant Index Rules. The values of the Relevant Index in the period from such Start Date, to a date (the "**Launch Date**") no later than the date on which investment products linked to the Relevant Index are first implemented (which may be materially later than the Start Date) will be calculated on the basis of back-tested data ("**back-testing**").

Index values for such period are hypothetical, and are calculated at or around the Launch Date in accordance with the Index methodology but using historical data available to the index calculation agent at the time of calculation. If such historical data is not available or is incomplete for any particular day, the index calculation agent may use alternate sources of data in place of such historical data, and/or may substitute alternative values (which may be determined by the index calculation agent), as it deems necessary to calculate such hypothetical value of the Relevant Index.

If such historical data was available or complete, or if different sources or values were used in such back-testing, the Index values for such period would be different, potentially materially so. Accordingly, the Index values may not reflect the performance of, and are no guarantee or assurance in respect of the performance or returns of, the Relevant Index over any time period from the Launch Date. Furthermore, any back-testing is based on information and data provided to the index calculation agent by third parties. The index calculation agent will not have independently verified or guaranteed the accuracy and/or the completeness of such information or data provided and is not responsible for any inaccuracy, omission, mistake or error in such information, data and/or back-testing.

(l) ***An Investor in Products linked to a Proprietary Index will have no rights in respect of any component(s)***

The investment exposure provided by a Relevant Index is synthetic, and a notional investment in a Relevant Index does not constitute a purchase or other acquisition or assignment of any interest in any component of a Relevant Index (or any sub-components thereof). Investment in Products linked to a Proprietary Index will therefore not make an investor a holder of, or give an investor a direct investment position in, any component (or any sub-components thereof). The return on your Products may be less than if you held a direct position in a Relevant Index or any component (or any sub-components thereof), or a different product linked thereto.

(m) ***A Relevant Index may have a limited operating history and may perform in unanticipated ways***

Each Relevant Index is a relatively new strategy. As limited historical performance data may exist with respect to a Relevant Index and/or the components referenced by such Relevant Index, any investment in respect of which returns are linked to the performance of a Relevant Index or its components may involve greater risk than an investment linked to returns generated by an investment strategy with a proven track record. While a longer history of actual performance could provide more reliable information on which to base an investment decision, the fact that a Relevant Index and the relevant components are relatively new would not allow this. There can be no guarantee or assurance that a Relevant Index or its components will operate in a manner consistent with the data available.

(n) ***The index sponsor's hedging activity may affect the level of a Relevant Index***

By executing products linked to a Relevant Index ("**Linked Products**"), the Issuer will have an exposure to such Relevant Index and its components. The Issuer (or an affiliate) may take risk positions to hedge this exposure in its sole discretion and in a principal capacity. Investors in any Linked Product will not have any rights in respect of any of the Issuer's hedge positions, including any shares, futures, options, commodities or currencies. The Issuer (or an affiliate) may execute its hedging activity by trading in the components of a Relevant Index on or before the related rebalancing day. Such trading may have an adverse impact on the level at which a component is rebalanced which will result in an adverse impact on the performance of such Relevant Index. The Issuer's hedging activity, and hence the size of such impact, will be linked to the amount of new and outstanding Linked Products at the relevant time and then-prevailing market conditions and may affect the market price of or liquidity in the relevant market of a Relevant Index. Additionally, the Issuer may generate revenues if it executes its hedging activity at different levels from those used to determine the value of a Relevant Index or on a rebalancing of such Relevant Index. Such hedging activity could generate significant returns to the Issuer that will not be passed on to investors in Linked Products.

- (o) ***As index sponsor and/or calculation agent of a Relevant Index, the Issuer has the authority to make determinations that could materially affect such Relevant Index and create conflicts of interest***

As the index sponsor and/or calculation agent of a Relevant Index (or an affiliate thereof), the Issuer does not generally exercise any discretion in relation to the operation of such Relevant Index. The Issuer owes no fiduciary duties in respect of each Relevant Index. The Issuer may, however, exercise discretion in certain limited situations including, but not limited to, those situations described in the relevant Index Rules.

Determinations made by the Issuer as the index sponsor and/or calculation agent of a Relevant Index could adversely affect the level of such Relevant Index and the exercise by the Issuer of its discretion could present it with a conflict of interest. In making those determinations, the index sponsor and/or calculation agent will not be required to, and will not, take the interests of any investor in Products linked to the relevant Proprietary Index into account or consider the effect its determinations will have on the value of such Products. All determinations made by index sponsor and/or calculation agent shall be at its sole discretion and shall be conclusive for all purposes and will bind all holders of any Products linked to the Proprietary Index. The index sponsor and/or calculation agent shall not have any liability for such determinations.

- (p) ***A Relevant Index may be changed or become unavailable***

The index sponsor may alter the methodology used to calculate a Relevant Index or to discontinue publication of the value of a Relevant Index and such event may result in a decrease in the value of or return on any Products linked to a Proprietary Index. Any changes may be made without regard to the interests of an investor of Products linked to a Proprietary Index.

A permanent cancellation of a Relevant Index or a failure by the index sponsor to calculate or announce the value of a Relevant Index may constitute a disruption event in respect of, and, therefore, may result in a decrease in the value of or return on any, Products linked to a Proprietary Index or result in the termination or early redemption of such Products.

Furthermore, the decisions and policies of the index sponsor concerning the calculation of the value of a Relevant Index could affect its value and, therefore, the amount payable over the term of Products linked to a Proprietary Index and the market value of such Products. The amount payable on Products linked to a Proprietary Index and their market value could also be affected if the index sponsor changes these policies.

- (q) ***Data sourcing and calculation risks associated with the Relevant Index and its components may adversely affect the value of the Relevant Index***

The value of the Relevant Index is calculated based on price data that may be subject to potential errors in data sources or other errors that may affect the closing levels and/or prices published by the relevant sponsor.

Any errors in the third-party information or data that the Relevant Index relies on to generate the signal may impact the other calculations underlying the Index methodology, such as whether the Relevant Index takes a long or short position in an immediate component included in the Index. Such errors could adversely affect the value of the Index. Neither the index sponsor, nor any of its affiliates is under any obligation or currently intends to independently verify such third-party information or data from any third-party data source or to advise any investor in any transaction or product linked to the Relevant Index of any inaccuracy, omission, mistake or error of which it or any such affiliate becomes aware. Consequently, neither the index sponsor nor any of its affiliates shall be liable (whether in contract, tort or otherwise) to any person for any inaccuracy, omission, mistake or error in the calculation or dissemination of the value of the Index.

There can be no assurance that any error or discrepancy on the part of any data source or sponsor will be corrected or revised. Even if any error or discrepancy on the part of any third-party data source or sponsor is corrected or revised, neither the index sponsor nor any of its affiliates is under any obligation or currently intends to incorporate any such correction or revision into the

calculation of the value of the Relevant Index or the level of any terminal component. Neither the index sponsor, nor any of its affiliates makes any representation or warranty, express or implied, as to the correctness or completeness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the value of the Relevant Index or on the performance of any components referenced therein. Any of the foregoing errors or discrepancies could also adversely affect the value of the Index.

(f) ***Information about the Relevant Index may only be available through the index sponsor***

The rules for the Relevant Index are only available through the index sponsor. The index sponsor may not provide Investors of any transaction or product linked to the Relevant Index with further information in relation to the Relevant Index beyond what is provided in the relevant Index Rules and further information may not be generally available. The index sponsor has entered into non-exclusive licensing agreements with certain of its third-party data suppliers in order to source the necessary data to calculate the Index. The formalities necessary to obtain access to such figures may deter potential Investors from investing in a transaction or product linked to the Relevant Index on the secondary market.

(s) ***The Relevant Index relies on the use of third-party information***

The Index methodology relies on the use of third-party information. The inability of the index calculation agent to source necessary data to calculate the relevant formulae of the Relevant Index may affect the value of the Relevant Index. Investors considering acquiring or making an investment in a transaction or product linked to the Relevant Index should carefully read and understand the information about the Relevant Index and its components (and any constituents thereof). Information about the components (and any constituents thereof) can be found on the Bloomberg and/or the stock exchanges on which the constituent equity stocks are listed. However, the Issuer makes no warranty as to the correctness of that information and takes no responsibility for the accuracy of such data or the impact of any inaccuracy of such data on the Index.

Transactions or products linked to the Relevant Index may be exposed to more or less risk, or perform better or worse, based upon the inputs received from the above suppliers or sources, than an actual investment in or linked to one or more of the components (and any constituents thereof).

7.2 ***Risks relating to specific Proprietary Indices***

Risks that apply to a specific Relevant Index that the Issuer intends to use as Underlying for new Products may be included in this section by way of a supplement pursuant to Article 23 of the EU Prospectus Regulation.

8. ***Risks associated with conflicts of interest of Leonteq Securities AG as Issuer, Lead Manager and Calculation Agent and its subsidiaries and of the discretionary powers of the Issuer and Calculation Agent***

8.1 ***Conflicts of interest***

(a) ***Conflicts of interest related to the Reference Entity(ies) and Underlying(s)***

Each of the Issuer, Lead Manager and Calculation Agent and other companies in the Leonteq Group deal in transactions with or relating to the Reference Entities (including its equity or debt instruments), the Underlying(s) or in components of the Underlying(s) or in options or futures contracts relating to the Reference Entities or the Underlying(s) 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. Companies in the Leonteq Group can also hold interests in individual Reference Entities (including its equity or debt instruments) or Underlyings or in the companies contained in these Reference Entities or Underlyings, meaning that conflicts of interest can arise in connection with the Products which conflicts could have an impact (including a material adverse impact) on the value of, and return on, the Products.

(b) ***Conflicts of interest related to the performance of another function***

Leonteq Securities AG (or another entity in the Leonteq Group) may, in addition to its capacity as Issuer, exercise another function in relation to the relevant Products, the Reference Entities (including its equity or debt instruments), the Underlying(s) or components thereof, such as issuing agent, calculation agent, paying agent and/or administrative agent. Therefore, there can be conflicts of interest regarding the duties when determining the prices of the Products and other determinations related thereto among Leonteq Group and the Investors. Furthermore, the Issuer, Lead Manager and Calculation Agent and other companies in the Leonteq Group may act as members of a consortium, financial advisor or sponsor in connection with future offers of securities of the relevant Reference Entity(ies) or the Underlying(s) or components thereof; activities of this kind can also entail conflicts of interest and could have an impact (including a material adverse impact) on the value of, and return on, the Products.

(c) ***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 (i) Reference Obligations of the Reference Entities, (ii) Credit derivatives relating to the Reference Entities or (iii) the Underlyings or the components of the Underlying that is determined on the market. Fluctuations in the price of the Reference Entity(ies) or Underlying(s) and consequently the Products may among other things be attributed to the fact that the Lead Manager (or any of its affiliate(s) or any entity (or entities) acting on behalf of the Lead Manager) conduct significant volumes of hedging or other types of large transactions in or relating to the Reference Entity(ies) or Underlying(s). Investors should also note in this respect that, especially in unfavourable conditions (e.g., low liquidity of the Reference Obligations of the Reference Entity(ies) or Underlying(s)), such transactions can have a significant impact on the value of the Reference Obligations of the Reference Entity(ies) or Underlying(s) 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.

The hedging entity is entitled to suspend or to stop entirely its trading activities in or related to Reference Obligations of the Reference Entity(ies) or an Underlying. This market conduct of the hedging entity as well as the limitation of its trading or hedging activities in or related to the Reference Obligations of the Reference Entity(ies) or Underlying(s) could have an impact (including a material adverse impact) on the value of, and return on, the Products.

(d) ***Conflicts of interest related to the issuance of additional products***

The Issuer and its subsidiaries, the Lead Manager and the Calculation Agent can issue additional products in relation to the Reference Entity(ies) or Underlying(s) or securities or Reference Obligations of the Reference Entity(ies) or components of the Underlying(s), 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 securities or Reference Obligations of the Reference Entity(ies) or Underlying(s) and therefore have an impact on the value of, and return on, the Products.

(e) ***Conflicts of interest related to information specific to the Underlying(s)***

The Issuer and its subsidiaries, the Lead Manager and the Calculation Agent can receive non-public information regarding the Underlying or components of the Underlying(s), but are not obliged to pass such information on to the Investors in the Products. Furthermore, the Issuer and its subsidiaries, the Lead Manager and the Calculation Agent can publish research reports on the underlying or components of the Underlying. These activities can give rise to specific conflicts of interest and therefore could have an impact (including a material adverse impact) on the value of, and return on, the Products.

(f) ***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, performance fees or other fees, may contain surcharges on the initial mathematical 'fair' value of the Products (the "**margin**"). This margin will be determined by the Issuer in its reasonable discretion and can differ from surcharges that other issuers impose on comparable Products. This margin covers, among other things, the costs of structuring, market making and settlement of the Products and also includes the expected profit for the Issuer.

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 any market maker (as described below). Any commission contained in the Products affects the Investor's potential rate of return. Furthermore, 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, Investors should consult with their principal bank or financial advisor about such conflicts of interest.

(g) ***Conflicts of interest related to market making for the Products***

Under normal market conditions the Lead Manager or, if applicable, a third party (the "**Market Maker**") may 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. Investors should note 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, bid and offer prices for the Products quoted by the Market Maker (if any) will be calculated on the basis of customary pricing models for the sector that are used by the Market Maker and other traders and which determine the theoretical 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 theoretical value of the Products, which among other things depends on the occurrence of any Credit Event and/or the value of the Underlying and the spread between bid and offer prices desired by the Market Maker. 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 or other returns, such as in the case of Credit Linked Products with an Underlying Component which is a share or a share index 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.

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 theoretical 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, in the case of Credit Linked Products with an Underlying Component which is a share or a share index, 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 theoretical 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

theoretical value of the Products can be that bid and offer prices quoted by other traders for the Products deviate significantly (both upwards and downwards) from the prices quoted by the Market Maker.

(h) ***Additional conflicts of interests associated with Products linked to a Proprietary Index***

Potential conflicts of interest may arise in relation to the Issuer's multiple roles in connection with a Proprietary Index. Although the Issuer will perform its obligations in a manner that it considers commercially reasonable, it may face conflicts between the roles it performs in respect of a Proprietary Index and its own interests. In particular, the Issuer (or an affiliate) may have, or enter into transactions to create, a physical, economic or other interest (including an adverse and/or short interest, as the case may be) in a Relevant Index, products linked thereto, any component of a Relevant Index, any input data and/or investments referenced by or linked to any component or input data, and may exercise remedies or take other action with respect to its interests as it deems appropriate. These actions could adversely affect the level of the Relevant Index and may include the following:

- (i) The Issuer (or an affiliate) actively trades (or may actually trade) products linked to each Relevant Index, any component or input data thereof, investments referenced by or linked to a component or input data and numerous related investments. These activities could adversely affect the level of the Relevant Index, which could in turn affect the return on, and the value of, Products linked to a Proprietary Index.
- (ii) The Issuer (or an affiliate) may have access to information relating to a Relevant Index, products linked thereto, a component or input data of a Relevant Index or investments referenced by or linked to a component or input data. The Issuer is not obliged to use that information for the benefit of any person acquiring or entering into Products linked to a Proprietary Index.
- (iii) Certain activities conducted by the Issuer (or an affiliate) may conflict with the interests of those acquiring Products linked to a Proprietary Index. It is possible that the Issuer could receive substantial returns in respect of these activities while the value of any investment referenced to such Proprietary Index may decline. For example:
 - (A) The Issuer and other parties may issue or underwrite additional securities or trade other financial or derivative instruments or investments referenced to a Relevant Index or other similar strategies or any component. An increased level of investment and trading in these securities, instruments or investments may negatively affect the performance of a Relevant Index and could affect the level of a Relevant Index and, therefore, the amount payable at maturity (or on any other payment date) on Products linked to a Proprietary Index and the value before maturity of such Products. Such securities, instruments or investments may also compete with Products linked to a Proprietary Index. By introducing competing products into the marketplace in this manner, the Issuer could adversely affect the market value of Products linked to a Proprietary Index and the amount paid by it on such Products at maturity (or on any other payment date). To the extent that the Issuer serves as issuer, agent, underwriter or counterparty in respect of those securities or other similar instruments or investments, its interests in respect of those securities, instruments or investments may be adverse to the interests of investors of Products linked to a Proprietary Index.
 - (B) Although the Issuer is not obliged to do so, it may elect to hedge its exposure to the Relevant Index, any transactions or products linked thereto, a component or any investment referenced by or linked to a component with an affiliate or a third party. That affiliate or third party, in turn, is likely to directly or indirectly hedge some or all of its exposure, including through transactions taking place on the futures and options markets. Where the Issuer chooses to hedge its exposure, it may adjust or unwind such hedges by entering into, purchasing or selling transactions or products linked to the Relevant Index, a component, any investments referenced by or linked to a component or any

other transaction or product on or before the date the Relevant Index is valued for purposes of any investments referenced to the Relevant Index. The Issuer may also enter into, adjust or unwind hedging transactions relating to other instruments linked to the Relevant Index or a component including at times and/or levels which are different from those used to determine the value of the Relevant Index. Any of this hedging activity may adversely affect the value of the Relevant Index and the value of any transactions or products linked to the Relevant Index. In addition, and without limitation:

- (1) The Issuer could receive substantial returns with respect to these hedging activities while the value of the Relevant Index and/or the value of any transaction or product linked to the Relevant Index may decline.
 - (2) If the Issuer has hedged its exposure to a component and incurs an effective rate of withholding tax that is less than the synthetic transaction costs applied in respect of the Relevant Index, the Issuer could receive substantial returns.
 - (3) The Issuer could receive substantial returns if it trades in a component on or before the rebalancing of the Relevant Index and/or at levels which are different from the levels specified in the methodology for determining the value of the Relevant Index. Such trading may have an adverse impact on the level at which a rebalancing occurs, which may result in an adverse impact on the performance of the Relevant Index. In addition, such trading could generate significant returns to the Issuer that will not be passed on to the investors in transactions or products linked to the Relevant Index.
- (C) Certain activities conducted by the Issuer may conflict with the interests of those investing in transactions or acquiring products linked to the Relevant Index. For example, as described above, the Issuer may elect to hedge its obligations, if any, with an affiliate or a third party. It is possible that the Issuer could receive substantial returns with respect to these activities irrespective of the performance of the Relevant Index and including while the value of any investment referenced to the Relevant Index may decline.
- (D) The Issuer may also engage in trading for its own accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers relating to one or more transactions or products linked to the Relevant Index, a component or any constituent thereof and/or any investment referenced by or linked to a component or any constituent thereof. In the course of these transactions, the Issuer's customers may receive information about the Relevant Index before it is made available to other investors. Any of these activities could also adversely affect the value of the Relevant Index directly or indirectly by affecting the level of a component or any constituent thereof or the investments referenced by or linked to a component or any constituent thereof and, therefore, the market value of any transactions or products linked to the Relevant Index and the amount paid on any such transaction or product at maturity.
- (E) As operator or sponsor of the Relevant Index, under certain circumstances the Issuer will have discretion in making various determinations that affect the Relevant Index and transactions or products linked to it including, but not limited to, those situations described in the relevant Index Rules. The Issuer may use these determinations to calculate how much cash it must pay at maturity, or, as the case may be, upon any early redemption or on any other payment date, of any transaction or product linked to the Relevant Index, including products issued by the Issuer or its affiliates and subsidiaries. The exercise by the Issuer of this discretion could adversely affect the value of the Relevant Index and the value of any such transaction or product linked to it.

It is possible that the exercise by the index sponsor of its discretion to change the relevant Index methodology may result in substantial returns in respect of the Issuer's trading activities for its proprietary accounts, for other accounts under its management or to facilitate transactions on behalf of customers relating to one or more transactions or products linked to the Relevant Index, and/or the components thereof or any investment referenced by or linked to such components.

- (F) As operator or sponsor of one or more components, the Issuer or its affiliates and subsidiaries may be entitled to exercise discretion over decisions that would have an adverse impact on the value of the Index, including, without limitation, discontinuing publication of the level of one or more components. The Issuer or its affiliates and subsidiaries will exercise any such discretion without regard to the Relevant Index or investors in any transactions or products linked thereto.
- (G) The Issuer may in the future create and publish other indices or strategies, the concepts of which are similar, or identical, to that of the Relevant Index or one or more of the components. The components as specified in the relevant Index Rules, however, are the only components that will be used for the calculation of the Relevant Index. Accordingly, no other published indices should be treated by any investor as the level of any component (except as the index sponsor or the index calculation agent may so determine, as described above).
- (H) The Issuer may express opinions or provide recommendations (for example, with respect to a component) that are inconsistent with investing in transactions or products linked to the Index, and which may be revised at any time. Any such opinions or recommendations may or may not recommend that investors buy or hold the relevant component and could affect the value and or performance of the Relevant Index or of transactions or products linked to the Relevant Index.
- (I) The Issuer may have ownership interests in sponsors of components and as such may be able to influence the methodology and other features of such components. In addition, the Issuer or its affiliates and subsidiaries may provide pricing or other data that is directly used in the calculation of the level of components (or the components thereof). The activities of the Issuer or its affiliates and subsidiaries as contributor to any components may be adverse to the interests of investors and/or counterparties to transactions or products linked to any such components and may have an impact on the performance of such components.
- (J) The Issuer is the index calculation agent and may have ownership interests in any other calculation agent with respect to the Relevant Index or any component and any third-party data providers with respect to the Relevant Index or any component and as such may be able to influence the determinations of the index calculation agent or other calculation agent. In addition, the Issuer and its affiliates and subsidiaries may provide pricing or other data that is directly used in the calculation of the level and/or components of the Relevant Index. The activities of the Issuer and its affiliates and subsidiaries as contributor to the Relevant Index may be adverse to the interests of investors and/or counterparties to transactions or products linked to the Relevant Index and may have an impact on the performance of the Relevant Index.

8.2 ***Discretionary powers of the Issuer and the Calculation Agent, including in relation to the Issuer's hedging arrangements***

There are certain events – relating to the Issuer, the Issuer's hedging arrangements, the Reference Entity(ies) or Underlying(s), taxation, the relevant currency or other matters – the occurrence of which

may give rise to discretionary powers of the Issuer or the Calculation Agent under the terms and conditions of the Products.

In relation to the Underlying(s), in the case of Credit Linked Products with an Underlying Component, a key investment objective of the Products is to allow investors to gain an economic exposure to the Underlying(s). If an Underlying is materially impacted by an unexpected event (for example, a company merges and the original stock that formed an Underlying is restructured or changed, or the rules of an index that is an Underlying are materially modified) or the relevant price, level or value can no longer be calculated, then it may not be possible to achieve the investment objective of the Products based on their original terms. In that case, the Calculation Agent may have discretionary powers under the terms and conditions of the Products to (i) adjust the terms and conditions of the Products, (ii) in certain cases, substitute the Underlying(s) for another, (iii) calculate the relevant price, level or value itself, (iv) postpone payment, (v) redeem the Products early, or (vi) apply some combination thereof.

In relation to the Issuer or the Calculation Agent's hedging arrangements, Investors should be aware that (i) in exercising its discretionary powers under the terms and conditions of the Products, each of the Issuer and the Calculation Agent may take into account such factors as it determines appropriate in each case, which may include, in particular, any circumstances or events which have or may have a material impact on the Issuer or the Calculation Agent's hedging arrangements in respect of the Products, and (ii) unless the terms and conditions of the Products provide that certain hedge disruption events do not apply, certain events which affect the Issuer's hedging arrangements can give rise to discretionary powers on the part of the Issuer and the Calculation Agent.

Hedging arrangements are the transactions (if any) entered into by the Issuer or Calculation Agent to seek to cover the Issuer's exposure to the relevant cash amounts to be paid or assets to be delivered under the Products as these fall due. This may involve investing directly in the securities or Reference Obligations of the Reference Entity(ies) or Underlying(s) or entering into derivative contracts referencing the the Reference Entity(ies), the Underlying(s) or other techniques. The particular hedging arrangements (if any) undertaken by the Issuer or the Calculation Agent, and their cost, will likely be a significant determinant of the issue price and/or economic terms of the Products. Accordingly, if an event occurs which negatively impacts the Issuer or Calculation Agent's hedging arrangements, the Issuer or the Calculation Agent may have options available to it under the terms and conditions of the Products which it may select in its discretion in order to deal with the impact of the event on such hedging arrangements. These options may include adjustment of the terms and conditions of the Products or early redemption of the Products. In the event of early redemption, the early redemption amount may be less than an Investor's investment and, therefore, Investors could lose some or all of their money.

DESCRIPTION OF THE PRODUCTS

The main characteristics of the Products issued or offered under this Securities Note are described in the following sections.

1. General information about the Credit Linked Products

1.1 Product Types

The Credit Linked Products refer to one or more Reference Entities.

There are several variations for the Credit Linked Products with the following general Product Types:

- **Product Type 1:** CLP which refer to a single company as the Reference Entity.
- **Product Type 2:** CLP which refer to a single sovereign as the Reference Entity.
- **Product Type 3:** CLP which refer to a single financial institution as the Reference Entity.
- **Product Type 4:** CLP which refer to multiple companies as the Reference Entities.
- **Product Type 5:** CLP which refer to multiple sovereigns as the Reference Entities.
- **Product Type 6:** CLP which refer to multiple financial institutions as the Reference Entities.

Basket CLP may also be issued with a combination of Reference Entities based on Product Types 4 to 6 (**Product Type Combinations**). Credit Index CLP are a specific form of Product Type 4 to 6. Moreover, Reference Entities may fall in a specific category with respect to specific conditions in the Credit Linked Conditions, for example monoline insurers.

Credit Linked Products may also be structured as Bond Linked CLP. In such case a Credit Event occurs only if a respective event occurs in respect of the Reference Entity and the specific Reference Obligation. The following sections explain exactly how Credit Linked Products function.

1.2 Loss upon occurrence of a Credit Event

The Credit Linked Products will be redeemed at the Redemption Amount and bear interest. However, this is only the case if no Credit Event has occurred with regard to the respective Reference Entity.

If a Credit Event occurs, the Redemption Amount will not be redeemed. Instead, the Investor will receive the Liquidation Amount on the Redemption Date. This is normally substantially lower than the Notional Amount or Specified Denomination, as applicable. The accrual of interest will or may also cease, as applicable to the relevant Credit Linked Product.

The Liquidation Amount will also take into account any Settlement Expenses and Swap Costs of the Issuer. The deduction of any Settlement Expenses and Swap Costs can lead to further losses for the investor.

By purchasing the Credit Linked Products, the Investors assume additional risks in addition to the risks related to the ability of the Issuer to make payments. These risks result from the fact that a Credit Event can occur with regard to the Reference Entity(ies).

If that situation occurs, the Investor receives an amount which is normally substantially lower than the scheduled Redemption Amount. Interest payments on Coupon Payment Dates which fall after the occurrence of a Credit Event can also be lost. Under certain circumstances, the Investor may even incur a total loss if the Liquidation Amount is zero (0).

1.3 Reference Entities

A single Reference Entity will be specified in the Issue Terms for Product Types 1, 2 and 3. Multiple Reference Entities will be specified for Product Types 4, 5 and 6. These Reference Entities are:

- in the case of Product Type 1, a company

- in the case of Product Type 2, a sovereign
- in the case of Product Type 3, a financial institution
- in the case of Product Type 4, multiple companies
- in the case of Product Type 5, multiple sovereigns
- in the case of Product Type 6, multiple financial institutions.

In the case of Product Types 4, 5 and 6 or Product Type Combinations, the weightings given to the individual Reference Entities are – unless otherwise provided in the Issue Terms – equal. Therefore, mathematically a Reference Entity Notional Amount corresponding to the equally weighted portion of the Notional Amount or Specified Denomination, as applicable, is attributed to each Reference Entity.

A Transaction Type will be attributed in the Issue Terms to each Reference Entity based on its type (company, sovereign or financial institution) or its region of origin. For example: "European corporate", "North American corporate", "Western European sovereign", "Emerging European & Middle Eastern sovereign", "European financial corporate", "Australian financial corporate". Depending on the Transaction Type, the Issue Terms will provide that certain provisions in the Credit Linked Conditions are applicable or not applicable.

Reference Entities can be replaced under the Credit Linked Conditions upon the occurrence of a succession by one or more Successors. This can also lead to an adjustment of their Reference Entity Weighting and the Reference Entity Notional Amount attributable to the Reference Entity(ies). The Investor will find details about successions in section 5 (*Successors*) below.

1.4 Successors

A succession which is relevant for the Credit Linked Products with regard to a Reference Entity can occur. A replacement of the Reference Entity by a Successor takes effect upon publication of a corresponding notice by the Issuer.

Products with one Reference Entity (Product Types 1, 2 and 3)

In the case of Products with one Reference Entity, the Issuer can replace the Reference Entity with one or more Successors in the case of succession. The Credit Linked Conditions contain provisions about the selection of the Successor(s). If the Issuer publishes a Credit Event Notice prior to the occurrence of succession, no Successor will be determined.

If the Issuer determines more than one Successor for the Reference Entity, the Products relate proportionately to each of the Successors.

Products with multiple Reference Entities (Product Types 4, 5 and 6)

In the case of Products with multiple Reference Entities, the Issuer can replace the Reference Entity affected by a succession with one or more Successors. The Credit Linked Conditions contain provisions about selecting the Successor(s).

A Reference Entity can also be a Successor of another Reference Entity if the prerequisites for selecting this Reference Entity as a Successor are satisfied.

In the case of replacement of a Reference Entity by only one Successor, the Reference Entity Weighting for that Successor corresponds to the Reference Entity Weighting of the replaced Reference Entity.

In the case of replacement of a Reference Entity by multiple Successors, the following applies: The Reference Entity Weighting for each Successor corresponds to the Reference Entity Weighting of the Reference Entity divided by the number of Successors.

If a Successor is already a Reference Entity, the following applies: The Reference Entity Weighting of this Reference Entity is increased, compared to the other Reference Entities, by this additional weighting of the affected Reference Entity.

No Successor is determined for a Reference Entity for which the Issuer has published a Credit Event Notice prior to the occurrence of succession.

A Reference Entity for which the Issuer has published a Credit Event Notice can become the Successor of another Reference Entity. This possibility exists if the Issuer has still not published a Credit Event Notice for the replaced Reference Entity.

1.5 **Credit Events**

Credit Events describe the occurrence or the threatening occurrence of various economically adverse circumstances from the point of view of the creditors of the respective Reference Entity. Credit Events are accordingly an expression of a material negative development in the credit standing of the Reference Entity.

However, a Credit Event can only be considered if the Issuer has learned about the occurrence of a Credit Event at a Reference Entity. The Issuer must have obtained this knowledge on the basis of publicly available information. All requirements for the occurrence of a Credit Event must be satisfied by the affected Reference Entity(ies).

Comment on this point: If the descriptions of the Products refer to a Credit Event at one Reference Entity only, the following applies: Only those Credit Events are meant for which all requirements for the occurrence of a Credit Event described in the Credit Linked Payout Provisions and Credit Linked Conditions are satisfied. This applies especially if the Credit Event triggers a reduction or suspension or deferral of the payments of interest and/or redemption of the Products.

The Issue Terms can, depending on the Transaction Type of the Reference Entity, provide for one or more of the following Credit Events:

- Bankruptcy,
- Failure to Pay,
- Restructuring,
- Repudiation/Moratorium,
- Obligation Default,
- Obligation Acceleration,
- Governmental Intervention.

This means that the Credit Linked Products, in addition to the credit standing of the Issuer, above all depend on the credit standing of the Reference Entity. The Investor receive the payments contemplated in the Conditions in the intended amount if no Credit Event has occurred. Upon the occurrence of a Credit Event, the Investor incurs a partial or complete loss with regard to interest payments and principal.

Various Credit Events are differentiated:

(a) ***Credit Event Bankruptcy***

The Credit Event Bankruptcy can occur with respect to companies or financial institutions as Reference Entities. The Credit Event exists, for example, if insolvency proceedings or comparable proceedings have been initiated with regard to the Reference Entity. The Credit Event Bankruptcy can also occur in the case of liquidation or inability of the Reference Entity to meet its ongoing payment obligations or over-indebtedness.

(b) ***Credit Event Failure to Pay***

The Credit Event Failure to Pay can occur for all types of Reference Entities.

A Credit Event Failure to Pay occurs, for example, if the Reference Entity has not paid an Obligation or has not done so on time. However, certain threshold values must be taken into account for this purpose. The Failure to Pay must accordingly exist with regard to an amount having a specific volume (US Dollars 1 million). The Failure to Pay smaller amounts does not lead to the occurrence of the Credit Event Failure to Pay.

A Credit Event Failure to Pay can also occur due to a redenomination of a currency as a consequence of actions taken by a public authority. This applies in the following situation: The redenomination of the currency leads to a reduction in the interest payments, payments of principal or other payments for Obligations of the Reference Entity.

(c) ***Credit Event Restructuring***

The Credit Event Restructuring can occur for all types of Reference Entities.

The Credit Event Restructuring occurs, for example, in the following situations:

- The interest rate or the amount of principal of one or more Obligations of the Reference Entity are reduced or their due date is extended.
- The payments for one or more Obligations of the Reference Entity are deferred.
- The ranking of one or more Obligations of the Reference Entity are adversely changed, or there is a redenomination of a currency.

A prerequisite for one of the above-described Restructurings is that the credit standing or the financial situation of the relevant Reference Entity deteriorates.

The Restructuring must be made in a form which is binding for all creditors of the respective Obligation. In all situations, the threshold values described in the Conditions with regard to the relevant Obligation must be taken into account.

A redenomination from Euro to another currency does not constitute a Restructuring under the following conditions:

- At the time of the currency redenomination, there is a freely available standard market conversion rate between the Euro and the other currency, and
- Payments of interest, principal or other payments for Obligations of the Reference Entity are not reduced upon redenomination at this freely available standard market conversion rate.

(d) ***Credit Event Repudiation/Moratorium***

The Credit Event Repudiation/Moratorium can occur for sovereigns and certain companies.

The Credit Event Repudiation/Moratorium occurs, for example, in the following situations:

- A Reference Entity or a public authority completely or partially disputes the existence of an Obligation. A Reference Entity or a public authority does not acknowledge an Obligation or rejects the Obligation or disputes its validity.
- A Reference Entity or a public authority declares or legally takes one of the following measures with regard to an Obligation: a moratorium, a standstill of payments, an extension of payments or a deferral of payments.

A prerequisite for the occurrence of this Credit Event is also that an Obligation is not paid at all or not paid within the stated time frame. This also applies if a restructuring of the Obligation takes place.

In all situations, the threshold values described in the Conditions with regard to the relevant Obligation must be taken into account.

(e) ***Credit Event Obligation Default***

The Credit Event Obligation Default can occur for all types of Reference Entities.

It occurs, for example, if one or more Obligations of a Reference Entity could be terminated or accelerated. Reason: non-performance of the Obligation or another breach of contract.

(f) ***Credit Event Obligation Acceleration***

The Credit Event Obligation Acceleration can occur for all types of Reference Entities.

A Credit Event Obligation Acceleration occurs, for example, in the following situations:

One or more Obligations of a Reference Entity are accelerated. Reason: There is a breach of contract by the Reference Entity, or grounds for termination contained in the Conditions or a similar event occurs.

In all cases, the threshold values described in the Conditions with regard to the affected Obligation must be taken into account.

(g) ***Credit Event Governmental Intervention***

The Credit Event Governmental Intervention can occur in the case of financial institutions.

There is a Governmental Intervention, for example, if the interest rate or the amount of principal is reduced for an unsubordinated Obligation of the Reference Entity. Governmental Intervention also exists if the due date is extended, payments are deferred or the ranking of the unsubordinated Obligation is adversely changed.

The Governmental Intervention occurs by means of a measure or announcement by a Governmental Authority which is binding for the Reference Entity. This can also occur on the basis of a provision in the law which involves the recovery or resolution of the Reference Entity (or a comparable legal provision).

Governmental Intervention exists, for example, also in the following situations: Claims of creditors under an unsubordinated Obligation are expropriated, transferred or terminated or are subject to a mandatory exchange.

It is irrelevant in this regard, whether the contracts about the relevant Obligations expressly provide for such Governmental Intervention. Therefore, the Investor should pay attention to the following with regard to the application of this Credit Event in the case of a Reference Entity:

The applicable law governing recoveries and resolutions for a financial institution can authorise substantial impact and intervention in the Obligations of a financial institution. Measures up to and including a reduction of the debt are conceivable. These measures can already be taken in advance of insolvency. Such measures can especially be carried out if the financial institution threatens to fail or if there is reason to fear the cancellation of the banking license.

In the case of Credit Linked Products which refer to financial institutions, the following must especially be considered: They depend to a high degree on the content and scope of the applicable national legislation on recoveries and resolutions.

A Credit Event which is relevant for the Credit Linked Products must occur on or after the Credit Event Backstop Date, which can be a date prior to the Issue Date, and on or prior to the Scheduled Redemption Date, or in case of an extension, the Extension Date set out in the Issue Terms ("**Relevant Credit Event Period**"). In case of a Bond Linked CLP, any of the Credit Events described above – other than the Credit Event Bankruptcy – becomes relevant only if it occurs in relation to the specific Reference Obligation.

If a Credit Event has occurred, the Issuer must give notice thereof in the so-called Credit Event Notice within the Relevant Credit Event Period.

1.6 **Suspension or deferral of payments**

The Issuer can suspend or defer payments on the Credit Linked Products. The relevant requirements for a suspension or deferral set out in the Credit Linked Conditions must be satisfied for this purpose.

The suspension or deferral of payments has the following background: In certain situations, the Issuer needs time in order to determine whether a Credit Event has occurred. The Issuer can especially wait to see what resolution the ISDA Credit Derivatives Determination Committee adopts (please see 2.3 (Influence of ISDA Resolutions on the Products)). The ISDA Credit Derivatives Determination Committee examines the issue of whether a circumstance exists with regard to the Reference Entity which can constitute a Credit Event.

In the case of the applicability of the Credit Event Repudiation/Moratorium, a deferral within the time periods set forth in the Credit Linked Conditions is permissible. This applies under two prerequisites: (a) the occurrence of this Credit Event threatens due to a corresponding announcement; and (b) the determinative, outstanding payment Obligation of the relevant Reference Entity, however, is not yet due and could still be fulfilled.

In the case of the Potential Failure to Pay, the Issue Terms can provide that a grace period will be fully taken into account: A payment deferral occurs if a Credit Event threatens due to a corresponding payment which has not been made. The determinative, outstanding payment obligation of the Reference Entity is due, but could not yet be fulfilled.

The payment suspension or deferral can be for a significant period of time.

2. **Further information about the relevant Obligations and ISDA Determinations**

2.1 **Obligations and Reference Obligations**

Which Obligations of a Reference Entity play a role in determining a Credit Event is set forth in the Issue Terms.

Obligations can be:

- (a) payment obligations of the Reference Entity under all forms of borrowed money,
- (b) payment obligations of the Reference Entity from loans and bonds that have been issued,
- (c) payment obligations of the Reference Entity exclusively under issued bonds.

The term 'Obligation' also includes guarantees of the Reference Entity which are assumed for the above described categories of Obligations.

In case of a Bond Linked CLP, only one specific Reference Obligation of the relevant Reference Entity will be specified in the Issue Terms.

2.2 **Information on ISDA Terms and ISDA auction proceedings**

The Credit Linked Conditions are based on market standard terms for certain financial instruments. These are financial instruments which depend on the occurrence of a credit event with respect to one or more Reference Entities (Credit Derivatives). These standard terms are referred to as the 'ISDA Credit Derivatives Definitions'. They were published by the International Swaps and Derivatives Association, Inc. (ISDA) in the year 2014 (the "**ISDA Terms**").

ISDA is a private trading organization. It represents its members in the derivatives market. Members are large institutions as well as privately held and state-owned companies worldwide which trade derivative financial products referencing specific underlyings. ISDA has developed the ISDA Terms in concurrence with the members and other participants in the market. The ISDA Terms are subject to English law or the law of the State of New York. The ISDA Terms are not published for everyone on the website of ISDA. They can only be obtained in the English language for a charge.

The uniform application of the ISDA Terms is supported by announcements and protocols agreed between ISDA and the market participants (the "**ISDA Statements**"). The ISDA Terms are also applied

in resolutions by the ISDA Credit Derivatives Determinations Committee. The members of this body are traders and purchasers of Credit Derivatives. The ISDA Credit Derivatives Determinations Committee serves the purpose of making decisions in connection with the ISDA Terms uniformly for the worldwide credit derivatives market.

Upon the occurrence of a Credit Event with regard to a Reference Entity, ISDA can proceed as follows when applying the ISDA Terms. ISDA conducts an auction which relates to the relevant Reference Entity and its Obligations. The ISDA Credit Derivatives Determinations Committee selects for this purpose Obligations of the Reference Entity. In the course of the auction, market participants submit offer and selling prices with regard to these selected Obligations of the Reference Entity. Selected Obligations can be e.g. certain bonds of the Reference Entity. The parameters of the auction proceedings are determined by the ISDA Credit Derivatives Determinations Committee (so-called Auction Settlement Terms). The Auction Final Price determined in the ISDA auction in accordance with the ISDA Terms is the basis for the settlement of Credit Derivatives which are subject to the ISDA Terms.

2.3 Influence of ISDA Resolutions on the Products

As the Credit Linked Conditions are based on standards set out in the ISDA Terms, the question whether a Credit Event under the Notes occurs, a Successor exists, or the amount of the Hedge Losses to determine the Liquidation Amount, as well as interpretation of certain provisions in the Credit Linked Conditions maybe determined by reference to Resolutions of the ISDA Credit Derivatives Determinations Committee. Resolutions of the ISDA Credit Derivatives Determinations Committee have an effect on the Credit Linked Products in particular when the following prerequisites are satisfied:

- The ISDA resolutions are issued within the periods of time set forth in more detail in the Credit Linked Conditions.
- The Issuer or Calculation Agent takes into account the ISDA resolutions when exercising its rights in accordance with the Credit Linked Conditions.

Examples:

- Publication by ISDA about the occurrence of a Credit Event with regard to a Reference Entity with simultaneous publication of the point in time when this occurred.
- Conduct of an ISDA auction with regard to a Reference Entity and determination of an Auction Final Price.

Resolutions of the ISDA Credit Derivatives Determinations Committee are published on the website <https://www.cdsdeterminationscommittees.org/> or a page which replaces it.

2.4 Determination of the Liquidation Amount

(a) *Use of the Auction Final Price*

The Liquidation Amount will be determined by reference to the amounts calculated by reference to the losses for unwinding or the settlement of any hedge positions of the Issuer relating to the affected Reference Entities ("**Hedge Losses**"). These Hedge Losses will in case of a hedge of the Issuer based on an ISDA Credit Derivative usually be calculated on the Auction Final Price determined in the ISDA auction proceedings (Auction Settlement). Exception: ISDA does not announce any ISDA auction proceedings within the periods of time set forth in the ISDA Terms or ISDA does not conduct any auction within these periods. The Auction Final Price can be well below 100 % of the nominal amount of the outstanding deliverable obligations of the Reference Entity. The Auction Price can even be zero (0) in an extreme situation.

ISDA can carry out multiple ISDA auctions with regard to a Reference Entity which is not a sovereign. Such a situation may occur if ISDA publishes the occurrence of a Credit Event 'Restructuring'. The ISDA auction process then relates to different maturity categories for the Obligations of the Reference Entity. If ISDA publishes multiple Auction Final Prices in the case of Credit Event Restructuring, the lowest price may be the Final Price for purposes of the Credit Linked Products. If only one ISDA auction takes place, the Auction Final Price generated in this

auction is the relevant Auction Final Price. This applies without regard to the maturity category to which the auction relates.

(b) *Use of discretionary valuations*

If the prerequisites for applying an Auction Final Price for the indirect determination of the Hedge Losses are not given under an ISDA Credit Derivative, Hedge Losses may be determined by the counterparty of the hedge based on quotations from certain dealers in obligations or bonds of the Reference Entity. The quotations for these obligations or bonds can be well below 100% of their nominal value and can even be zero (0) in an extreme situation.

(c) *Deduction of Settlement Expenses and Swap Costs*

The Liquidation Amount can also be further reduced by deduction of Settlement Expenses and Swap Costs of the Issuer.

Settlement Expenses include any costs, fees and expenses or other amounts (other than in relation to taxes) payable by an Investor per Calculation Amount on or in respect of or in connection with the redemption or settlement of such Product.

Swap Costs means an amount determined by the Calculation Agent equal to any loss or costs incurred (or expected to be incurred) by or on behalf of the Issuer as a result of terminating, liquidating, obtaining or re-establishing any hedge, term deposits, related trading position or funding arrangements entered into by it (including with its internal treasury function) in connection with the Products.

3. **Additional Information about Credit Linked Products with an Underlying Component**

Credit Linked Products with an Underlying Component are Credit Linked Products where the redemption on the Redemption Date not only depends on the occurrence of a Credit Event but also on the performance of the relevant Underlying.

If a Credit Event with respect to the relevant Reference Entity(ies) has occurred, the Products will not be redeemed on the Scheduled Redemption Date or Deferred Redemption Date, as the case may be, and the Investors will receive the Liquidation Amount which will take into account any costs or gains from the settlement of the Issuer's hedging positions relating to the relevant Underlying.

If no Credit Event with respect to the relevant Reference Entity(ies) has occurred, the Redemption Amount payable on the Redemption Date (or a Deferred Redemption Date) will be determined based on the payout formula of the relevant Product Style specified in the Issue Terms.

There are several variants that can be specified which can either be 'bullish' or 'bearish'. 'Bullish' means that the investor will generally benefit from a positive performance of the Underlying and 'bearish' means that the investor will generally benefit from a negative performance of the Underlying.

The performance of the Underlying will be measured either against the Initial Fixing Level or against the specified Strike Level. In case of a basket of Underlyings, the performance will be determined by calculating the sum of the respective performances of the individual Underlyings multiplied by their respective weight specified in the Issue Terms.

In addition, the specified variant can include a Cap Level which means that the investor's participation in the positive (bullish variant) or negative (bearish variant) performance of the Underlying is limited.

Regardless of the variant, the Redemption Amount will not be less than the Calculation Amount, unless a Credit Event has occurred.

4. **Issuer Call**

If specified as 'Applicable' in the Issue Terms, the Issuer may exercise its right to redeem the Products early on a specified Issuer Call Option Exercise Date. The Product will then be redeemed on the relevant Issuer Call Option Redemption Date at either the Redemption Amount or the Issuer Call Option Redemption Amount, as specified in the Issue Terms.

TERMS AND CONDITIONS OF THE PRODUCTS

The terms and conditions of any particular issuance of Products will be composed of:

- (a) General Conditions: the General Conditions as set out in the section of this Securities Note entitled 'General Conditions' below;
- (b) Payout Conditions: the economic or 'payout' conditions of the Products as set out in the section of this Securities Note entitled 'Payout Conditions' below, and which are specified to be applicable in the Issue Terms;
- (c) Credit Linked Conditions: the Credit Linked Conditions of the Products as set out in the section of this Securities Note entitled 'Credit Linked Conditions' below, and which are specified to be applicable in the Issue Terms;
- (d) Underlying Specific Conditions: in respect of the Underlying(s) which the Products are linked to, the terms and conditions relating to such Underlying(s) as set out in the section of this Securities Note entitled 'Underlying Specific Conditions' below, and which are specified to be applicable in the Issue Terms; and
- (e) Issue Terms: the issue specific details relating to such Products as set forth in a separate Issue Terms.

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GENERAL CONDITIONS

1. *Introduction*

The following text comprises the general terms and conditions of the Products (the "**General Conditions**") that, together with the applicable Payout Conditions, the relevant Underlying Specific Conditions and subject to election and completion (and, in the case of Exempt Products, if applicable, amendment) in the Issue Terms (as defined below) (together, the "**Conditions**"), shall be applicable to each Series.

The "**Issue Terms**" mean either (a) where the Products relate to a tranche that are not Exempt Products, the issue specific details will be set out in a final terms document (the "**Final Terms**") or (b) where the Products relate to a tranche of Products that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required under the EU Prospectus Regulation (or will be of (or in respect of which a separate prospectus other than the base prospectus under the Programme will be published under the EU Prospectus Regulation)) ("**Exempt Products**"), the issue specific details will be set out in a pricing supplement document (the "**Pricing Supplement**") which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Conditions and/or the applicable Payout Conditions and/or the relevant Underlying Specific Conditions, replace or modify such conditions for the purposes of such Exempt Products, and references to Issue Terms should be construed accordingly.

All capitalised terms that are not defined in these General Conditions have the meanings given to them in the applicable Payout Conditions, the relevant Underlying Specific Conditions or the Issue Terms.

References in these General Conditions to 'Products' are to the Products of one Series only, not to all Products that may be issued pursuant to the European issuance and offering programme established by the Issuer (the "**Programme**").

The Products are issued as a Series of notes ("**Notes**") or certificates ("**Certificates**") by the Issuer and references to 'Products' shall be construed as a reference to each Series accordingly.

Unless specified otherwise in the relevant Issue Terms, in respect of SIX SIS Securities, the Issuer, acting through its head office, will act as the paying agent (the "**Paying Agent**"), subject as provided in General Condition 11.1 (*Appointment of Agents*).

In respect of TCM Secured Products, the collateral agent (the "**Collateral Agent**") will be SIX Repo AG and the custodian (the "**Custodian**") shall be SIX SIS AG.

In respect of Euroclear/Clearstream Securities, the Notes, Warrants and the Certificates are issued pursuant to an agency agreement, dated 11 May 2021 as amended or replaced from time to time as amended or replaced from time to time (the "**Agency Agreement**", which expression shall include any amendments or supplements thereto or replacements thereof under the Programme from time to time) between the Issuer, the principal programme agent and paying agent in respect of the Products, as specified in the relevant Issue Terms, (the "**Principal Programme Agent**" and the "**Paying Agent**", which expression shall include any successor or additional agents appointed in accordance with the Agency Agreement) and Leonteq Securities AG or such other calculation agent as may be specified in the relevant Issue Terms as calculation agent (the "**Calculation Agent**", which expression shall include any successor calculation agent appointed in accordance with the Agency Agreement).

Deed of Covenant: The Products other than Swiss Securities, Monte Titoli Registered Instruments and any other Products under the Programme which may be issued without the benefit of the Agency Agreement are constituted by and have the benefit of a deed of covenant dated 11 May 2021 as amended or replaced from time to time (the "**Deed of Covenant**", which expression shall include any amendments or supplements thereto or replacements thereof under the Programme from time to time) made by the Issuer.

The Calculation Agent (the "**Calculation Agent**") in respect of the Products shall be Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland, unless otherwise specified in the relevant Issue Terms.

Each Series may be issued in tranches (each a "**Tranche**") on the same or different Issue Dates. The specific terms of each Tranche will be identical to the terms of other Tranches of the same Series (save in respect of specific terms outlined in the Issue Terms, such as the Issue Date, Issue Price, first payment of interest, if applicable, and Issue Size of the Tranche) and will be set out in the Issue Terms.

Unless otherwise expressly indicated, capitalised terms used in these Conditions which are defined in General Condition 21 (*Definitions and Interpretation*) have the meanings given in General Condition 21 (*Definitions and Interpretation*).

2. **Form, Title and Transfer**

2.1 **Form of Products**

(a) *Form of SIX SIS Securities*

SIX SIS Securities ("**SIX SIS Securities**") are Products specified as such in the Issue Terms and which are issued in uncertificated form in accordance with article 973c of the Swiss Code of Obligations (*Obligationenrecht*) ("**CO**") or in the form of a permanent global certificate in accordance with article 973b of the CO.

The Investors of SIX SIS Securities issued in uncertificated form shall at no time have the right to demand the conversion of uncertificated securities into, or the delivery of, a permanent global certificate or physical securities. By contrast, the Paying Agent shall have the right to effect the conversion of the uncertificated securities into a permanent global certificate in accordance with article 973b of the CO or physical securities (*Wertpapiere*) and vice versa. Neither the Issuer nor the Investors of SIX SIS Securities issued in the form of a permanent global certificate shall at any time have the right to effect or demand the conversion of the permanent global certificate into, or the delivery of, uncertificated securities or physical securities. By contrast, the Paying Agent shall have the right to effect the conversion of the permanent global certificate into physical securities if it determines this to be necessary or useful. Physical securities may be printed in whole but not in part.

By (i) registering uncertificated securities in the main register (*Hauptregister*) of SIX SIS Ltd, Olten, Switzerland or any other Swiss central depository ("**SIS**") or by depositing a permanent global certificate with SIS and (ii) crediting the respective SIX SIS Securities to a securities account (*Effektenkonto*) of an account holder with SIS, intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") pursuant to the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) of 3 October 2008 ("**FISA**") are created. Intermediated Securities may only be transferred by way of crediting the respective SIX SIS Securities to, and debiting the respective SIX SIS Securities from, a securities account (*Effektenkonto*) held with a custodian pursuant to the rules of the FISA.

(b) *Form of Euroclear/Clearstream Securities*

Euroclear/Clearstream Securities ("**Euroclear/Clearstream Securities**") are Products specified as such in the Issue Terms and will be issued in bearer form. Euroclear/Clearstream Securities will initially be issued in global form (the "**Global Euroclear/Clearstream Securities**"), and may only be exchanged for securities in definitive form (the "**Definitive Euroclear/Clearstream Securities**") upon an Exchange Event occurring, and in each case in accordance with the terms of the relevant Global Euroclear/Clearstream Security. For the avoidance of doubt, no Investor will be entitled to request its Euroclear/Clearstream Securities to be exchanged for securities in definitive form for any reason other than on the occurrence of an Exchange Event.

In the event that the applicable Issue Terms specify Monte Titoli as the Relevant Clearing System, the Products are issued in bearer dematerialized book-entry form and no physical document of title will be issued to represent the Product, such as definitive securities.

The Global Euroclear/Clearstream Security may be delivered on or prior to the original issue date of the Series or Tranche to a Common Depository for the Relevant Clearing System. The Relevant Clearing System will then credit each subscriber with an aggregate nominal amount

or aggregate number, as applicable, of the Global Euroclear/Clearstream Security equal to the nominal amount or number thereof for which it has subscribed and paid.

Upon the occurrence of an Exchange Event on or after its Exchange Date each Global Euroclear/Clearstream Security will be exchangeable, in whole but not in part, free of charge, for Definitive Euroclear/Clearstream Securities.

An exchange of Global Euroclear/Clearstream Securities for Definitive Euroclear/Clearstream Securities shall only be made upon receipt by the Issuer of a certificate or certificates of non-US beneficial ownership.

On or after any due date for exchange, the holder of a Global Euroclear/Clearstream Security may surrender it or, in the case of a partial exchange, present it for endorsement to or to the order of the Paying Agent and in exchange the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount or aggregate number, as applicable, of duly executed and authenticated Definitive Euroclear/Clearstream Securities.

2.2 Denomination and Number

(a) Notes

The Issue Terms in respect of Products that are Notes will specify the Specified Denomination in which such Products are issued, the Issue Size, the Issue Price, the Settlement Currency and the Calculation Amount.

(b) Certificates

The Issue Terms in respect of Products that are Certificates will specify the Settlement Currency of such Products, the Issue Price per Product, the Calculation Amount and either (a) the number of Products being issued (in which case the Certificates are "**Unit Certificates**") or (b) the Notional Amount per Product and the Issue Size (in which case the Certificates are "**Notional Certificates**"). All Certificates of a Series shall have the same Calculation Amount.

2.3 Title

(a) Title to SIX SIS Securities

In respect of SIX SIS Securities which constitute Intermediated Securities, the holder and legal owner of such SIX SIS Securities will be the person holding them in a securities account in their own name and for their own account with their depositary (*Verwahrungsstelle*) in accordance with the terms of the FISA (and, in respect of SIX SIS Securities, the expression "**Investor**" as used herein shall be construed accordingly). The records of such depositary determine the number of SIX SIS Securities held by such Investor and the FISA grants each Investor the right to ask the depositary for information about Intermediated Securities that are credited to their account.

In respect of SIX SIS Securities which are issued in the form of uncertificated securities, but do not constitute Intermediated Securities, the first holder and legal owner of such SIX SIS Securities will be the person registered as holder in the register of uncertificated securities and "**Investor**" shall be construed accordingly. In respect of SIX SIS Securities in the form of uncertificated securities converted to certificated securities by the Issuer issuing physical securities which are not Intermediated Securities, the holder and legal owner of such SIX SIS Securities will be the person(s) holding the physical securities (and the expression "**Investor**" as used herein shall be construed accordingly).

In respect of SIX SIS Securities which are issued in the form of a permanent global certificate, but do not constitute Intermediated Securities, each Investor shall have a proportionate co-ownership interest (*Miteigentumsanteil*) in the permanent global certificate to the extent of such Investor's claim against the Issuer, provided that for so long as the permanent global certificate remains deposited with SIS the co-ownership interest shall be suspended and the respective SIX SIS Securities may solely be transferred and otherwise disposed of in accordance with the provisions of the FISA.

(b) *Title to Euroclear/Clearstream Securities*

Title to Euroclear/Clearstream Securities passes by delivery.

The Issuer and the Paying Agent shall (except as otherwise required by law or ordered by a court of competent jurisdiction) deem and treat the Investor (as defined below) of any Euroclear/Clearstream Security as its absolute owner for all purposes (whether or not such Product is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it (or on the Global Euroclear/Clearstream Security representing it) or its theft or loss) and no person shall be liable for so treating the Investor.

In respect of Euroclear/Clearstream Securities, "**Investor**" means the bearer of any Euroclear/Clearstream Security, except that, in respect of any Global Euroclear/Clearstream Securities, the person appearing as the accountholder for the Relevant Clearing System (the "**Accountholder**") shall be treated as the Investor for all purposes other than with respect to the payment or delivery of any amount due under the Products (for which purpose the Common Depositary shall be treated by the Issuer and the Paying Agent as the relevant Investor).

(c) *Title to Products in respect of which the Relevant Clearing system is Monte Titoli*

In the event that the applicable Issue Terms specify Monte Titoli as the Relevant Clearing System, the Products may be held only through an authorised intermediary entitled to hold securities deposit accounts with the Monte Titoli on behalf of their customers.

2.4 **Transfers**

(a) *Transfers of Cleared Products*

(i) **Cleared Products (other than SIX SIS Securities)**

Subject to General Condition 2.4(c) (*Minimum Tradable Lot*) below, transfers of Products which are held in a Relevant Clearing System may be effected only through the Relevant Clearing System in which the Products to be transferred are held and only in accordance with the Relevant Rules.

Title will pass upon registration of the transfer in the books of Euroclear, Clearstream or Registeror Monte Titoli, as applicable.

(ii) **Transfers of SIX SIS Securities**

SIX SIS Securities constituting Intermediated Securities may solely be transferred and otherwise disposed of in accordance with the provisions of the FISA, being transferred and disposed of by instruction of the Investor to their depositary to transfer the Intermediated Securities, as the case may be, and crediting the Intermediated Securities, as the case may be, to the account of the transferee's depositary.

(b) *Transfers of non-Cleared Products*

Euroclear/Clearstream Securities which are not Cleared Products will be transferred by delivery.

(c) *Minimum Tradable Lot*

Transactions in the Products may, if specified in the Issue Terms, be subject to a Minimum Tradable Lot, in which case such Products will be transferable only in a nominal amount, in the case of Notes and Notional Certificates, or in a number, in the case of Unit Certificates, of not less than such Minimum Tradable Lot and, in the case of Cleared Products, in accordance with the Relevant Rules.

3. **Status**

3.1 **Status of the Products**

The Products (other than the TCM Secured Products) constitute direct, unsecured and unsubordinated obligations of the Issuer and rank equally among themselves. The payment obligations of the Issuer under the Products will rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer (except for such obligations as may be preferred by provisions of law that are both mandatory and of general application and except for TCM Secured, which constitute secured obligations). The TCM Secured Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, shall rank *pari passu* with all other collateralised and unsubordinated obligations of the Issuer. The Products do not evidence deposits of the Issuer. The Products are not insured or guaranteed by any government or government agency.

4. **Calculations and Publication**

4.1 **Rounding**

For the purposes of any calculations required pursuant to the Conditions, unless otherwise specified in the Issue Terms, (a) all currency amounts that fall due and payable shall be rounded to the nearest Sub-Unit of such currency (with half a Sub-Unit being rounded up), save in the case of Japanese yen, which shall be rounded to the nearest Japanese yen (with half a Unit being rounded up); (b) all values resulting from such calculations shall be rounded to the nearest four decimal places (with 0.00005 being rounded up to 0.0001); (c) all percentages resulting from such calculations shall be rounded as specified in the relevant Issue Terms. For these purposes, "**Sub-Unit**" means a fraction of the lowest amount of such currency that is available as legal tender in the country of such currency. "**Unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

Notwithstanding the foregoing, if the relevant Issue Terms specify "Other Rounding Convention" is applicable to any relevant amount, percentage or value as specified in the relevant Issue Terms, such amount, percentage or value shall be rounded to the nearest such Specified Sub-Unit of currency (with halves being rounded up or down) or Decimal Place, as is specified in the relevant Issue Terms.

4.2 **Determination and publication of interest rates, Interest Amounts and amounts in respect of settlement**

As soon as practicable on such date as the Paying Agent or, as applicable, the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation in respect of or in connection with any Product, such Agent shall determine such rate, obtain any required quotation or make such determination or calculation, as the case may be, and cause the relevant payment amount to be notified to the Issuer, each of the Agents, any other agent in respect of the Products that is to make a payment, delivery or further calculation or determination upon receipt of such information and, if the Products are listed and the rules of the Relevant Stock Exchange or other relevant authority and the rules thereof so require, to such exchange or relevant authority, as soon as possible after their determination.

4.3 **Calculation Amount**

Notwithstanding anything to the contrary in the Conditions: each calculation of an amount payable in cash in respect of each Product (other than Definitive Euroclear/Clearstream Securities) shall be based on the aggregate nominal amount or number of all such Products outstanding on such date (or the relevant affected portion thereof), rounded in accordance with the method provided in General Condition 4.1 (*Rounding*) above and distributed in accordance with the Relevant Rules.

For the avoidance of doubt, in relation to any amount payable under the Conditions in respect of a Product and which is calculated by reference to a Calculation Amount, references to (A) 'Product', in the case of Products that are Notes or Notional Certificates, shall mean a Product having a nominal amount (or face value) equal to the Calculation Amount and (B) an amount 'per Calculation Amount', in the case of Unit Certificates, shall mean per Product.

4.4 **Business Day Convention**

If any date specified to be subject to adjustment in accordance with a Business Day Convention, the convention for adjusting such date if it would otherwise fall on a day that is not a Business Day and where in each case the Issue Terms specifies Business Day Convention as:

- (a) 'Following', such date shall be postponed to the next day that is a Business Day;
- (b) 'Modified Following', such date shall be postponed to the next day that is a Business Day unless it would fall in the next calendar month, in which case such date shall be brought forward to the immediately preceding Business Day;
- (c) 'Nearest', such date shall be brought forward to the first preceding day that is a Business Day if the Relevant Date otherwise falls on a day other than a Sunday or a Monday and shall be postponed to the first following day that is a Business Day if the Relevant Date otherwise falls on a Sunday or a Monday;
- (d) 'Preceding', such date shall be brought forward to the immediately preceding Business Day;
- (e) 'Modified Preceding', such date shall be brought forward to the immediately preceding Business Day unless it would fall in the previous calendar month, in which case such date shall be postponed to the immediately following Business Day; or
- (f) 'No Adjustment' such date shall not be adjusted.

5. ***Payments and Deliveries***

5.1 **Payments and Deliveries in respect of SIX SIS Securities**

Payments of principal, interest as well as deliveries in respect of SIX SIS Securities held through SIS shall be made, subject to applicable fiscal and other laws and regulations of the Relevant Clearing System(s), to the Relevant Clearing System(s) or to its/their order for credit to the account(s) of the relevant Accountholder(s) in accordance with the Relevant Rules. The Issuer and the Paying Agent shall be discharged by payment or delivery to, or to the order of, the Relevant Clearing System, subject to such order not becoming final for any reason caused by the Issuer or the Paying Agent.

5.2 **Payments and Deliveries in respect of Global Euroclear/Clearstream Securities**

(a) ***Payments and Deliveries***

No payment or delivery falling due after the Exchange Date will be made on any Global Euroclear/Clearstream Securities unless exchange for an interest in a Global Euroclear/Clearstream Security or for Definitive Euroclear/Clearstream Securities is improperly withheld or refused.

All payments and deliveries in respect of Global Euroclear/Clearstream Securities will be made against and subject to presentation for endorsement and, if no further payment or delivery falls to be made in respect of the Global Euroclear/Clearstream Securities, surrender of that Global Euroclear/Clearstream Security to or to the order of the Paying Agent outside the United States.

Payments of interest shall only be made upon receipt by the Issuer of a certificate or certificates of non-US beneficial ownership.

(b) ***Relationship of Accountholders and Relevant Clearing Systems***

Each of the persons shown in the records of the Relevant Clearing System as the Investor must look solely to the Relevant Clearing System for their share of each payment or delivery made by the Issuer to the bearer of such Global Euroclear/Clearstream Security. The obligations of the Issuer will be discharged by payment or delivery to the bearer of such Global Euroclear/Clearstream Security in respect of each amount so paid or delivered.

5.3 **Payments in respect of Definitive Euroclear/Clearstream Securities**

In respect of any Definitive Euroclear/Clearstream Security, payments of principal will be made against and subject to the presentation and surrender (or, in the case of part payment, endorsement) of the relevant Definitive Euroclear/Clearstream Security at the specified office of the Paying Agent outside the United States, by a cheque drawn in the currency in which payment is due, or by transfer to an account with a Custody Bank denominated in such currency, as applicable. Payments of interest will be made as set out above but against and subject to the presentation and surrender of the relevant interest coupon (the "**Coupon**").

Upon the due date for redemption of any Definitive Euroclear/Clearstream Security, unmatured Coupons relating to such Product (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Definitive Euroclear/Clearstream Security is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

5.4 **Record Date for Payments of interest**

Payments of interest in respect of Products shall be made to the Investors who are deemed to be the holders thereof on the Interest Record Date in respect of such payment of interest, PROVIDED THAT (a) such payment shall at all times be made in accordance with the Relevant Rules (and if there is any difference between this General Condition 5.4 and the application of the Relevant Rules, the Relevant Rules shall apply) and (b) this General Condition 5.4 shall not apply to any payment of interest if the Products are due to be redeemed on or around the scheduled payment date for such interest. For the purposes of this General Condition 5.4, "**Interest Record Date**" in respect of any payment of interest shall be either (as specified in the Issue Terms) (a) the number of Business Days specified in the Issue Terms prior to the scheduled payment date corresponding to the relevant interest amount or (b) the date as specified in the relevant Issue Terms.

5.5 **Taxes, Settlement Expenses and conditions to settlement**

Payment of principal and/or interest shall be subject to deduction, or conditional upon payment by the relevant Investor(s), of any applicable Taxes and (unless 'Settlement Expenses' is specified as 'Not Applicable' in the Issue Terms) Settlement Expenses and any other amounts payable as specified in the Conditions. The Issuer shall notify the Investor(s) of (a) such applicable Taxes, Settlement Expenses and other amounts payable and (b) the manner in which such amounts shall be paid by the Investor(s).

5.6 **Payments on Business Days**

If the date on which any amount is payable is not (i) a Business Day and (ii) in the case of Definitive Euroclear/Clearstream Securities only, a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, then payment will not be made until the next succeeding day which is (A) a Business Day and (B) in the case of Definitive Euroclear/Clearstream Securities only, also a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, and the Investor thereof shall not be entitled to any further payment in respect of such delay.

6. **Redemption**

Unless previously redeemed, purchased and/or cancelled, each Product shall be redeemed in full by the Issuer on the Redemption Date at its Redemption Amount.

Each Unit Certificate shall be automatically exercised on the day prior to final redemption on the Redemption Date.

7. FX Disruption Event or a CNY FX Disruption Event

7.1 FX Disruption Event

If the Issue Terms specifies 'FX Disruption Event' to be 'Applicable', upon the occurrence of an FX Disruption Event, the Issuer may take any one or more of the following actions:

- (a) deduct from any payments to be made in respect of the Products an amount calculated by the Calculation Agent as representing a cost, expense, charge and/or deduction arising in connection with such FX Disruption Event or under any other adjustment with respect thereto; and/or
- (b) make payment of any amount payable by the Issuer pursuant to the Conditions in the Specified Currency instead of the Settlement Currency, the amount payable in the Specified Currency being determined by the Calculation Agent; and/or
- (c) postpone or adjust any Reference Rate Valuation Date, Underlying Valuation Date or the relevant Payment Date for any amount payable by the Issuer pursuant to the Conditions until, in the determination of the Calculation Agent, an FX Disruption Event is no longer subsisting; and/or
- (d) (in the case of a Price Source Disruption) specify and adopt:
 - (i) an appropriate alternative fallback or alternative price or rate source or method of determination selected by the Calculation Agent (which may (or may not) be by reference to a Dealer Poll or such other publication page or service as may replace the relevant page or service for the purpose of displaying a foreign exchange rate comparable or equivalent); or
 - (ii) a replacement of any one or more relevant currencies, as the case may be; and/or
- (e) determine whether any other appropriate adjustment can be made to the Conditions and/or any other provisions relating to the Products to account for the economic effect of such FX Disruption Event on the Products which would produce a commercially reasonable result and preserve substantially the economic effect to the Investors of a holding of the relevant Product. If the Calculation Agent determines that an appropriate adjustment or adjustments can be made, the Issuer shall determine the effective date of such adjustment(s), notify the Investors of such adjustment(s) and take the necessary steps to effect such adjustment(s). An Investor will not be charged any costs by or on behalf of the Issuer to make such adjustment(s),

PROVIDED THAT if the Calculation Agent determines that no action that could be made pursuant to paragraphs (a) to (e) above would produce a commercially reasonable result and preserve substantially the economic effect to the Investors of a holding of the relevant Product, the Calculation Agent will notify the Issuer of such determination. In such event, the Issuer may, on giving irrevocable notice to the Investors in accordance with General Condition 15 (*Notices*), redeem all of the Products of the relevant Series on the Unscheduled Early Redemption Date and pay to each Investor, in respect of each Product held by it, an amount equal to the Unscheduled Early Redemption Amount on such date (provided that the Issuer may also, prior to such redemption of the Products, make any adjustment(s) to the Conditions or any other provisions relating to the Products as appropriate in order to (when considered together with the redemption of the Products) account for the effect of such FX Disruption Event on the Products).

Upon the occurrence of an FX Disruption Event, the Issuer shall give notice as soon as practicable to the Investors, stating the occurrence of the FX Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

7.2 CNY FX Disruption Event

If the relevant Issue Terms specifies that 'CNY FX Disruption Event' to be 'Applicable', then the Issuer may, on giving not less than five days' and not more than 30 days' irrevocable notice in accordance with General Condition 15 (*Notices*) to Investors prior to the relevant affected Payment Date, make payment of any amount payable by the Issuer pursuant to the Conditions in the Specified Currency instead of the Settlement Currency, the amount payable in the Specified Currency being determined by the Calculation

Agent, on the relevant affected Payment Date in full and final settlement of its obligations to pay such amounts.

8. ***Indicative Amounts***

If the Final Terms provides that the Products are being offered by way of a Public Offer, the Final Terms may specify an indicative amount, subject to a minimum amount and/or a maximum amount, or any combination of the foregoing, as applicable, in relation to any Specified Product Value which is not fixed or determined at the commencement of the Offer Period. If so specified in the Final Terms, references in these Conditions to such Specified Product Value shall be construed as the amount, level, percentage, price, rate or value (as applicable) determined based on market conditions by the Issuer on or around the end of the Offer Period, and is expected to be the indicative amount specified in the Final Terms (if so specified) but may be different from such indicative amount, and:

- (a) if a minimum amount is provided in the Final Terms, the Specified Product Value will not be less than such minimum amount (but may be equal to such minimum amount); or
- (b) if a maximum amount is provided in the Final Terms, the Specified Product Value will not be more than such maximum amount (but may be equal to such maximum amount); or
- (c) if both a minimum amount and a maximum amount is provided in the Final Terms, the Specified Product Value will not be less than such minimum amount and will not be more than such maximum amount (but may be equal to either such minimum amount or such maximum amount).

Notice of the relevant Specified Product Value will be published prior to the Issue Date when such Specified Product Value is fixed or determined by the Issuer on or around the end of the Offer Period and the relevant amount, level, percentage, price, rate or value specified in such notice will be deemed to be the Specified Product Value.

For these purposes, "**Specified Product Value**" means any amount, level, percentage, price, rate or value which is specified in the Conditions as the amount, level, percentage, price, rate or value (as applicable) to be provided in the Final Terms (or phrases of similar import).

9. ***Effect of Adjustments***

All determinations made by the Calculation Agent pursuant to the Conditions shall be conclusive and binding on the Investors, the Paying Agent and the Issuer, except in the case of manifest error.

10. ***Events of Default***

- (a) ***Events of Default:*** Events of Default means any of the following (each, an "**Event of Default**"):
 - (i) the Issuer does not pay any material amount in respect of the Products when such amount is due and payable and such failure continues for 30 calendar days; or
 - (ii) an order is made or an effective resolution is passed for the winding-up of the Issuer (other than in connection with a merger or an amalgamation) or the Swiss Financial Market Supervisory Authority ("**FINMA**") (A) initiates bankruptcy proceedings with respect to the Issuer, (B) initiates re-organisation measures affecting rights of creditors generally with respect to the Issuer or (C) takes protective measures with respect to the Issuer to the effect of prohibiting it to make or receive payments or settle securities transactions, terminating its business operations or granting a payment moratorium.
- (b) ***Consequences of Event of Default:*** If an Event of Default with respect to any Product of a Series at the time outstanding occurs and is continuing, then in every such case, unless the principal of all of the Products of such Series shall have already become due and payable, the Investors of at least 25 per cent. in principal amount of the outstanding Products of that Series may declare the principal amount of all of Products of that Series to be due and payable immediately, by a notice in writing to the Issuer, and upon any such declaration, the Unscheduled Early Repayment Amount, together with the premium, if any, accrued and unpaid interest, if any, and any additional amount in respect of principal which may be payable under General Condition 5

(*Payments and Deliveries*), shall become immediately due and payable. For the purposes of calculating any Unscheduled Early Redemption Amount at any time following an Event of Default, the Calculation Agent will ignore the effect of such Event of Default upon the market value of the Products.

At any time after such a declaration of acceleration with respect to Products of any Series has been made and before a judgment or decree for payment of the money due has been obtained, Investors of at least a majority in principal amount of outstanding securities of that Series, by written notice to the Issuer and the relevant Paying Agent, may rescind and annul such declaration and its consequences if the Issuer, has paid or deposited with the relevant Paying Agent, a sum sufficient to pay in the Specified Currency in which the Products of such Series are payable:

- (i) all overdue interest, if any, on all Products of that Series;
- (ii) the principal of Products of that Series which have become due otherwise than by such declaration of acceleration and interest thereon at the Rate of Interest, as the case may be, applicable to that Series; and
- (iii) all Events of Default with respect to Products of that Series, other than the non-payment of the principal of Products of that Series, which have become due solely by such declaration of acceleration, have been cured or waived as provided below. No such rescission shall affect any subsequent default or impair any right consequent thereon.

11. Agents

11.1 Appointment of Agents

Pursuant to the terms of the Agency Agreement, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Investor. The Issuer reserves the right to vary or terminate the appointment of the Agents and to appoint additional or other Agents, provided that (subject to the final paragraph of this General Condition 11.1 (*Appointment of Agents*)) the Issuer shall at all times maintain:

- (a) a Paying Agent;
- (b) one or more Calculation Agent(s) where these General Conditions so require; and
- (c) such other agents as may be required by any stock exchange on which the Products may be listed.

Notice of any termination or appointment and of any changes to the specified office of any Agent will be given to Investors.

11.2 Determinations by the Calculation Agent

Unless otherwise specified, all determinations, considerations, decisions, elections and calculations in the Conditions shall be made by the Calculation Agent. In respect of each such determination, consideration, decision, election and calculation, this General Condition 11.2 shall apply.

In making such determinations, considerations, decisions, elections and calculations, the Calculation Agent may take into account the impact on the Issuer or Calculation Agent's hedging arrangements. In respect of all Products other than SIX SIS Securities, in all circumstances the Calculation Agent shall make such determinations and calculations in good faith and in a commercially reasonable manner, and (save in the case of manifest or proven error) such determinations and calculations shall be final and binding on the Issuer, the Paying Agent and the Investors. In respect of all SIX SIS Securities, in all circumstances the Calculation Agent shall make such determinations and calculations in accordance with the standard of duly exercised discretion, and (save in the case of manifest or proven error) such determinations and calculations shall be final and binding on the Issuer, the Paying Agent and the Investors.

11.3 Calculations and determinations are all binding

All calculations and determinations made by the Calculation Agent in respect of the Products shall be final and binding on the Issuer and Investors in the absence of manifest error.

11.4 Disclaimer of liability

No liability shall attach to the Calculation Agent for errors or omissions in respect of any calculation, determination or other exercise of discretion under the Conditions provided that, it has acted in accordance with General Condition 11.2 (*Determinations by the Calculation Agent*).

11.5 Delegation

The calculation functions and other discretionary actions (including, but not limited to duties to make determinations) required of the Calculation Agent may be delegated to any such person as the Calculation Agent, in its reasonable discretion, may decide.

11.6 Disclaimer of responsibility of Issuer, Lead Manager, Agents and respective affiliates upon force majeure event

None of the Issuer, the Lead Manager, any Agent or any of their respective affiliates shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott or lockout, or if the performance of any obligations under the terms of the Products have become unlawful in whole or in part under any applicable law or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of such parties itself takes such measures or becomes the subject of such measures. Where the Issuer or the Paying Agent is prevented from effecting payment or delivery due to such event, payment or delivery may be postponed until the time the event or circumstance impeding payment has ceased, and shall have no obligation to pay or deliver any additional amounts in respect of such postponement.

12. Taxation

The Issuer is not liable for, or otherwise obliged to pay amounts in respect of, any Taxes borne by an Investor. An Investor must pay all Taxes arising from or payable in connection with all payments relating to the Products and all payments in respect of the Products shall be made free and clear of, and without withholding or deduction for, any present or future Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Issuer Jurisdiction (or any authority or political subdivision thereof or therein having power to tax) unless such withholding or deduction is required by law or in connection with FATCA.

In that event, the appropriate withholding or deduction shall be made and the Issuer shall pay such additional amounts as may be necessary in order that the net amounts receivable by the relevant Investor shall equal the respective amounts that would have been receivable by such Investor in the absence of such withholding or deduction. Notwithstanding the above, no additional amounts shall be payable with respect to any Product:

- (a) to, or to a third party on behalf of, an Investor who is liable for such Taxes in respect of such Products by reason of them having a connection with the Issuer Jurisdiction other than the mere holding of the relevant Product or Coupon;
- (b) to, or to a third party on behalf of, an Investor who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Product or Coupon is presented for payment;
- (c) presented for payment more than 30 calendar days after the Relevant Date, except to the extent that the Investor would have been entitled to an additional amount on presenting such Product for such payment on the last day of such 30-day period;

- (d) where such withholding or deduction is required by the rules of the US Internal Revenue Code 1986 (the "**Code**"), including without limitation, in respect of dividends, dividend equivalent payments (including without limitation under section 871(m) of the Code), and direct and indirect interests in US real property within the meaning of section 897(c) of the Code;
- (e) where such withholding or deduction is made in connection with FATCA;
- (f) where such withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*);
- (g) presented for payment by or on behalf of an Investor who would have been able to avoid such withholding or deduction by presenting the relevant Product or Coupon to another paying agent without such deduction or withholding; or
- (h) in relation to Definitive Euroclear/Clearstream Securities, unless it is proved, to the satisfaction of the Paying Agent that the Investor is unable to avoid such withholding or deduction by satisfying any applicable certification, identification or reporting requirements or by making a declaration of non-residence or other similar claim for exemptions to the relevant tax authorities.

13. Prescription

Claims for payment of principal shall become void unless made within ten years and claims for interest shall become void unless made within five years of the appropriate Relevant Date.

14. Early Redemption for Unlawfulness or Impracticability

If the Issuer determines in good faith and in a reasonable manner that the performance of any of its absolute or contingent obligations under the Products has become, or there is a substantial likelihood that it will become, unlawful or a physical impracticability, in whole or in part, as a result of (a) any change in financial, political or economic conditions or foreign exchange rates or (b) compliance in good faith by the Issuer or any relevant subsidiaries or Affiliates with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative or judicial authority or power or in interpretation thereof, the Issuer may, at its option, redeem or terminate the Products by giving notice to Investors.

If the Issuer redeems the Products pursuant to this General Condition 14, then the Issuer will, if and to the extent permitted by applicable law, pay to each Investor, in respect of each Product held by it, an amount equal to the Unscheduled Early Redemption Amount on the Unscheduled Early Redemption Date.

15. Notices

15.1 To Investors

All notices to Investors will be deemed to have been duly given and valid (i) if published on the Notice Website or any successor webpage thereto and any such notice shall be deemed to have been given on the day of publication on the website; (ii) if given in accordance with the rules and regulations of the Relevant Stock Exchange (if applicable) or other relevant authority and any such notice will be deemed to have been given on the first date of transmission or publication; and/or (iii) if given to the Relevant Clearing System (if applicable) and any such notice will be deemed given on the first date following the day of transmission to the applicable Relevant Clearing System.

Failure to give notice where required will not invalidate any determination, calculation or correction, as applicable.

Investors of the Products shall be deemed for all purposes to have notice of the contents of any notice given to holders of Products.

15.2 To the Issuer and the Agents

In respect of any Series, all notices to the Issuer and/or the Agents must be sent to the address specified for such entity in this Securities Note or to such other person or place as shall be specified by the Issuer

and/or the Paying Agent by notice given to Investors. Any notice determined not to be valid, effective, complete and in proper form shall be null and void unless the Issuer and the Relevant Clearing System agree otherwise. This provision shall not prejudice any right of the person delivering the notice to deliver a new or corrected notice. The Issuer or the Paying Agent shall use all reasonable endeavours promptly to notify any Investor submitting a notice if it is determined that such notice is not valid, effective, complete or in the proper form.

16. Substitution

The Issuer shall be entitled at any time, without the consent of the Investors, to substitute any other entity, the identity of which shall be determined by the Issuer, to act as issuer in respect of Products then outstanding pursuant to the Programme (the "**New Issuer**"), provided that:

- (a) no Event of Default as set out in General Condition 10 (*Events of Default*) shall occur as a result thereof.
- (b) the New Issuer irrevocably and unconditionally assumes, by means of a deed poll substantially in the form set out in the Agency Agreement, all obligations of the Issuer arising from or in connection with the Products;
- (c) the Issuer agrees to indemnify and hold harmless each Investor against any additional tax, duty, assessment or governmental charge imposed on such Investor due to a different tax or regulatory regime applicable to the New Issuer from that applicable to the Issuer and which arises solely due to the substitution of the Issuer by the New Issuer; 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,

in each case subject to any additional requirements as may be applicable pursuant to the rules of any Relevant Stock Exchange.

In the event of any such substitution, any reference in the Conditions to the Issuer shall be construed as a reference to the New Issuer. In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Investors resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory, and no Investor shall be entitled to claim from the Issuer or the New Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Investor.

Any such substitution shall take effect upon giving notice to the Investors of each Series then outstanding and any Relevant Stock Exchange and the Paying Agent.

17. Modifications

17.1 Modifications without consent of Investors

- (a) **Terms and Conditions:** The Conditions of the Products of any Series may be amended by the Issuer in each case without the consent of the Investors if, in the reasonable opinion of the Issuer, the amendment (i) is of a formal, minor or technical nature, (ii) is made to correct a manifest or proven error or omission, (iii) is made to comply with mandatory provisions of the law of the Issuer Jurisdiction, and/or in order to comply with the amendments to any applicable laws and regulations, (iv) is made to cure, correct or supplement any defective provision contained herein and/or (v) will not materially and adversely affect the interests of the Investors. Any such

modification shall be binding on the Investors and any such modification shall take effect by notice to the Investors.

- (b) **Agency Agreement:** The Agency Agreement may be amended by the parties thereto without the consent of the Investors if, in the opinion of the Issuer, the amendment will not materially and adversely affect the interests of the Investors.
- (c) **Meetings of Investors:** The Agency Agreement contains provisions for convening meetings of Investors to consider matters relating to the Products, including the modification of any provision of the Conditions relating to a Series of Products with the consent of the Issuer. Only holders of outstanding Products of the applicable Series in respect of the Products will be eligible to participate in a meeting of Investors. Such a meeting shall be convened by the Issuer upon the request in writing of Investors holding not less than one-tenth of the outstanding Products of that Series. The quorum at any meeting convened to vote on a Resolution will be one or more Persons holding or representing one more than half of the outstanding Products of that Series or, at any adjourned meeting, one or more Persons being or representing not less than one quarter of the outstanding Products. Any Resolution duly passed at any such meeting shall be binding on all the Investors of the Products of the applicable Series, whether present or not.
- (d) **Extraordinary Resolution:** A resolution in writing signed or electronically approved using the systems and procedures in place from time to time of a Relevant Clearing System by or on behalf of 75 per cent. or more of Investors of Products, by reference to their original aggregate principal amount (in the case of Notes) or the aggregate total number (in the case of Unit Certificates) or aggregate Notional Amount (in the case of Notional Certificates) of Products outstanding, who for the time being are entitled to receive notice of a meeting shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Investors of the Products. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Investors of Products or may be in the form of SWIFT or other electronic instructions as permitted by the rules and procedures of the Relevant Clearing System, and in each case the date of such resolution shall be the date that such 75 per cent. majority is reached.

17.2 **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Investors, to create and issue further Products so as to form a single Series with the Products of any particular Series (such further Products, "**Fungible Products**").

18. **Purchases and Cancellations**

The Issuer and any of its subsidiaries may at any time purchase Products (provided that all unmatured Coupons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

All Products so purchased may be held, surrendered for cancellation, or reissued or resold, and Products so reissued or resold shall for all purposes be deemed to form part of the original Series, all in accordance with applicable laws and regulations.

19. **Governing law and jurisdiction**

19.1 **Governing law**

The Products, the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with Swiss law.

19.2 **Jurisdiction**

The ordinary courts of the city of Zurich, Switzerland, the venue being Zurich 1, are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Products, Coupons and, accordingly, any legal action or proceedings arising out of or in connection with them shall be brought in such courts. The aforementioned courts shall also have jurisdiction for the cancellation and replacement of lost, stolen, defaced, mutilated or destroyed

Products if issued in form of a permanent global certificate. General Condition 15 (*Notices*) is not applicable to SIX SIS Securities.

20. **Severability**

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

21. **Definitions and Interpretation**

21.1 **Definitions**

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

"Accountholder" has the meaning given to such term in General Condition 2.3(b) (*Title to Euroclear/Clearstream Securities*).

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity, directly or indirectly, under common control with the First Entity. For these purposes, 'control' means ownership of a majority of the voting power of an entity.

"Agents" means the Paying Agent, the Calculation Agent and any 'Additional Agents' specified in the Issue Terms.

"Business Centre" means each centre specified as such in the Issue Terms.

"Business Day" means a day which is each of:

- (a) a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the Issue Terms;
- (b) in respect of Cleared Products, a Clearing System Business Day for the Relevant Clearing System;
- (c) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency (if other than any Business Centre); and
- (d) in relation to any sum payable in euro, a TARGET Business Day.

"Business Day Convention" means any of the conventions specified in General Condition 4.4 (*Business Day Convention*).

"Calculation Agent" means Leonteq Securities AG, acting in such capacity, unless otherwise specified in the Issue Terms.

"Calculation Amount" means, in respect of a Series, the amount specified as such in the Issue Terms, PROVIDED THAT if a Relevant Event Determination Date has occurred, the Calculation Amount in respect of each Product of such Series shall be reduced in accordance with Payout Condition 3.6(b).

"Certificates" has the meaning given to such term in General Condition 1 (*Introduction*) (and such Products will be specified to be 'Certificates' in the Issue Terms).

"Cleared Products" means any Products that are SIX SIS Securities or Global Euroclear/Clearstream Securities, as applicable (and each a **"Cleared Product"**).

"Clearing System Business Day" means in respect of a Relevant Clearing System, any day on which such Relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Clearstream**" means Clearstream Banking S.A., or any successor thereto.

"**Clearstream Rules**" means the Management Regulations of Clearstream and the Instructions to Participants of Clearstream, as may be from time to time amended, supplemented or modified.

"**CNY**" means Chinese Renminbi, the lawful currency of the People's Republic of China (including any lawful successor to the CNY).

"**CNY FX Disruption Event**" means the occurrence of any of the following events:

- (a) "**CNY Inconvertibility Event**": An event that makes it impossible or impractical for the Issuer to convert any amounts in CNY due in respect of the Products in the general CNY foreign exchange market in the CNY Financial Centre, other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any CNY Governmental Authority (unless such law, rule or regulation is enacted after the relevant Trade Date, and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);
- (b) "**CNY Non-Transferability Event**": An event that makes it impossible or impractical for the Issuer to deliver CNY (i) between accounts inside the CNY Financial Centre or (ii) from an account inside the CNY Financial Centre to an account outside the CNY Financial Centre, other than where such impossibility or impracticality is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any CNY Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or impractical for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and
- (c) "**CNY Illiquidity Event**": The general CNY foreign exchange market in the CNY Financial Centre becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its payment obligations (in whole or in part) under the Products,

where:

- (i) "impractical" or "impracticality" means, in relation to a CNY FX Disruption Event, that the Issuer (or any affiliate of the Issuer) would incur a materially increased amount of taxes, duties, expenses or fees (as compared with circumstances existing on the Trade Date and determined by the Calculation Agent) to perform the relevant action described in this definition; and
- (ii) "impossible", in relation to a CNY FX Disruption Event, shall include (but shall not be limited to) any act which, if done or performed by the Issuer (or any affiliate of the Issuer) would be or result in the breach of any applicable law, rule, or regulation.

"**CNY Financial Centre**" means the financial centre(s) specified as such in the relevant Issue Terms.

"**CNY Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the People's Republic of China, the Hong Kong Special Administrative Region and any other CNY Financial Centre.

"**CO**" means the Swiss Code of Obligations (*Obligationenrecht*).

"**Code**" has the meaning given to such term in General Condition 12 (*Taxation*).

"**Common Depositary**" means, in relation to a particular Series, whether listed on any Relevant Stock Exchange or elsewhere, the common depositary (who shall be outside the United Kingdom and the United States (and the possessions of the United States)) appointed with respect to such Series.

"**Conditions**" has the meaning given to such term in the opening italicised paragraph of these General Conditions.

"Coupons" has the meaning given to such term in General Condition 5.3 (*Payments in respect of Definitive Euroclear/Clearstream Securities*).

"Custody Bank" means, in relation to a payment denominated in a particular currency, a bank in the principal financial centre for such currency or, where the relevant payment is denominated in euro, in a city in which banks have access to the TARGET System.

"Dealer Poll" means, in respect of any time on any relevant day, that the Calculation Agent will request each of the Reference Dealers to provide a quotation of its rate for the relevant currency exchange rate, at the applicable time on such relevant day. If, for any such rate, at least two quotations are provided, the relevant rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided for any such rate, the relevant rate will be the arithmetic mean of the relevant rates quoted by major banks in the relevant market, selected by the Calculation Agent, at or around the applicable time on such relevant day.

"Definitive Euroclear/Clearstream Securities" has the meaning given to such term in General Condition 2.1(b) (*Form of Euroclear/Clearstream Securities*).

"EUR", "euro" and "€" each means the lawful single currency of the Member States of the European Union that have adopted or adopt and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

"Euroclear" means Euroclear Bank S.A./N.V. or any successor thereto.

"Euroclear Rules" means the terms and conditions governing the use of Euroclear and the operating procedures of Euroclear, as may be amended, supplemented or modified from time to time.

"Euroclear/Clearstream Securities" has the meaning given to such term in General Condition 2.1(b) (*Form of Euroclear/Clearstream Securities*).

"Event of Default" means each of the events set out in General Condition 10 (*Events of Default*).

"Exchange Date" means, in relation to a Global Euroclear/Clearstream Security, a calendar day falling not less than 60 calendar days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Paying Agent is located and (if applicable) in the city in which the Relevant Clearing System is located.

"Exchange Event" means (a) the Relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (b) the Issuer has failed to make any payment of principal or delivered any Entitlement when due under the Conditions.

"Fair Market Value" means the value of the Product, as determined by the Calculation Agent in its discretion, which is calculated on the basis of the market value of the relevant hedge positions relating to the Reference Entity/(ies) and the Underlying(s), if any, and of the relevant market conditions after deduction of the costs of the Issuer for unwinding any related underlying hedging arrangements. In respect of Swiss law Securities, the Calculation Agent may take 116 into account established market practice, if any.

"FATCA" means sections 1471 through 1474 of the Code, any final current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, or any US or non-US fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code or any other non-US tax information reporting regimes.

"Final Terms" has the meaning given to such term in the opening italicised paragraph of the General Conditions.

"FISA" means the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

"FX Disruption Event" means the occurrence of any of the following events:

- (a) **"Currency Replacement Event"**: The Settlement Currency ceases to exist and is replaced by a new currency in the relevant jurisdiction;
- (b) **"Dual Exchange Rate"**: A relevant exchange rate splits into dual or multiple foreign exchange rates;
- (c) **"Governmental Authority Event"**: a Governmental Authority of a relevant jurisdiction has given public notice of its intention to impose any controls which are likely to materially affect the Issuer and/or Calculation Agent's ability to hedge the Issuer's obligations with respect to the Products or to unwind any such hedge;
- (d) **"Illiquidity"**: It is or becomes or is likely to become impossible or impracticable for the Issuer and/or Calculation Agent to obtain any Settlement Currency or obtain or use a relevant exchange rate in an appropriate amount;
- (e) **"Inconvertibility"**: The occurrence of any event that makes it or is likely to make it impossible and/or impracticable for the Issuer and/or Calculation Agent to convert the Settlement Currency into another currency (or vice versa) through customary legal channels (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency);
- (f) **"Non-Transferability"**: The occurrence of any event in or affecting any relevant jurisdiction that makes it or is likely to make it impossible and/or impracticable for the Issuer and/or Calculation Agent to deliver any Settlement Currency into a relevant account; and/or
- (g) **"Price Source Disruption"**: a Price Source Disruption.

"General Conditions" has the meaning given to such term in the opening italicised paragraph of the General Conditions.

"Global Euroclear/Clearstream Securities" has the meaning given to such term in General Condition 2.1(b) (*Form of Euroclear/Clearstream Securities*).

"Governmental Authority" means:

- (a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions, or (c) other instruments or arrangements (howsoever described) by the Issuer and/or Calculation Agent or any of their Affiliates in order to hedge individually, or on a portfolio basis, the Issuer's obligations in respect of the Products.

"Intermediated Securities" has the meaning given to such term in General Condition 2.1(a) (*Form of SIX SIS Securities*).

"Investor" has the meaning given to such term in General Condition 2.3 (*Title*).

"Issue Date" means the issue date as specified in the Issue Terms.

"Issue Price" means the price specified as such in the Issue Terms.

"Issue Size" means, on the Issue Date, the aggregate nominal amount (or, in the case of Notional Certificates, the aggregate Notional Amount) of the Products of the relevant Tranche (or, if applicable, Series) being issued as specified in the Issue Terms and on any date thereafter such amount as reduced by any partial redemption on or prior to such date.

"Issue Terms" has the meaning given to such term in the opening italicised paragraph of the General Conditions.

"Issuer" means Leonteq Securities AG which may also be acting through its Guernsey branch (Leonteq Securities AG, Guernsey Branch) or its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch).

"Issuer Jurisdiction" means, at any time, the jurisdiction of incorporation of the Issuer or any New Issuer substituted therefor in accordance with General Condition 16 (*Substitution*).

"Lead Manager" means Leonteq Securities AG, or such other entity specified as such in the Issue Terms.

"Minimum Tradable Lot" means the amount, if any, specified as such in the Issue Terms.

"New Issuer" has the meaning given to such term in General Condition 16 (*Substitution*).

"Notes" has the meaning given to such term in General Condition 1 (*Introduction*) (and such Products will be specified to be 'Notes' in the Issue Terms).

"Notice Website" means the website specified as such in the Issue Terms.

"Notional Amount" means, in respect of Notional Certificates, the amount specified as such in the Issue Terms.

"Offer Period" means the period specified as such in the Issue Terms.

"Paying Agent" has the meaning given to such term in General Condition 1 (*Introduction*).

"Payment Date" means a day on which a payment is due in respect of the Products.

"Price Source Disruption" means it becomes impossible or impracticable to obtain any relevant currency exchange rate on or in respect of any date on which such currency exchange rate is required under the Conditions (or, if different, the day on which rates for such date would, in the ordinary course, be published or announced by the relevant pricing source(s)).

"Pricing Supplement" has the meaning given to such term in the opening italicised paragraph of the General Conditions.

"Product" or **"Products"** means any Note or Certificate which may from time to time be issued pursuant to the Programme. Unless the context otherwise requires, any reference to 'Product' shall be deemed to refer to a Note having a nominal amount equal to the relevant Specified Denomination, a Notional Certificate having a nominal amount equal to the relevant Notional Amount or to a single Unit Certificate.

"Programme" has the meaning given to such term in the opening italicised paragraph of these General Conditions.

"Redemption Amount" has the meaning given to such term in the Payout Conditions or the Issue Terms.

"Redemption Date" has the meaning given to such term in the Payout Conditions or the Issue Terms.

"Reference Dealers" means, in respect of a currency exchange rate, four leading dealers in the relevant foreign exchange market, as selected by the Calculation Agent.

"Related Exchange" has the meaning given to such term in the relevant Underlying Specific Conditions (if applicable).

"Relevant Clearing System" means, as appropriate, Clearstream, SIS and/or Euroclear, as the case may be, and any other 'Relevant Clearing System' specified in the Issue Terms, through which interests in Products are to be held and/or through an account at which such Products are to be cleared.

"Relevant Date" means, in respect of any Product or Coupon, the date on which payment or delivery in respect of it first becomes due (or would have first become due if all conditions to settlement had been satisfied) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date five calendar days after that on which notice is duly given to the Investors that, upon further presentation of the Product or Coupon being made in accordance with these General Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"Relevant Rules" means, in the case of:

- (a) SIX SIS Securities, the SIS Rules;
- (b) Euroclear/Clearstream Securities, the Clearstream Rules or the Euroclear Rules (as applicable);

and/or the terms and conditions and any procedures governing the use of such other Relevant Clearing System, in each case as updated from time to time, relating to a particular issue of Products, as applicable.

"Relevant Stock Exchange" means, in respect of any Series, the stock exchange upon which such Products are listed (if any), as specified in the Issue Terms.

"SCSDFIA Act" means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (SFS 1998:1479) (in Swedish: (1998:1479) *lagen om värdepapperscentraler och kontoföring av finansiella instrument*).

"Series" means the Products of each original issue together with any relevant Fungible Products.

"Settlement Currency" means the currency specified as such in the Issue Terms.

"Settlement Expenses" means, in respect of any Product or Products, if the Issue Terms specifies 'Settlement Expenses' to be 'Applicable', any costs, fees and expenses or other amounts (other than in relation to Taxes) payable by an Investor per Calculation Amount on or in respect of or in connection with the redemption or settlement of such Product.

"SIS" has the meaning given to such term in General Condition 2.1(a) (*Form of SIX SIS Securities*).

"SIS Rules" means the rules and regulations, manuals and operating procedures as well as any agreements between the Issuer and SIS governing the use of SIS, as may be amended, supplemented or modified from time to time.

"SIX SIS Securities" means Products in respect of which the Issue Terms specifies the 'Governing law' to be Swiss law.

"Specified Currency" means the currency or currencies specified in the Issue Terms.

"Specified Denomination" means the amount specified as such in the Issue Terms.

"Specified Number of Business Days" means, unless specified otherwise in the Issue Terms, three Business Days.

"Specified Product Value" has the meaning given to such term in General Condition 8 (*Indicative Amounts*).

"Specified Sub-Unit" means the amount specified as such in the Issue Terms.

"TARGET Business Day" means a day on which the TARGET System is operating.

"TARGET System" means the Real Time Gross Settlement System operated by the Eurosystem (T2) (or any successor system thereto).

"Taxes" or **"Tax"** means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including (but not limited to) any applicable stock exchange tax, turnover tax, financial transaction tax, stamp duty, stamp duty reserve tax, charge on

income, profits or capital gains and/or other taxes, duties, assessments or governmental charges of whatever nature chargeable or payable and includes any interest and penalties in respect thereof.

"**TCM Secured Product**" means a Product in respect of which the Issue Terms specifies 'TCM Secured Product' to be 'Applicable'. Each TCM Secured Product will be a SIX SIS Security and an Exempt Product.

"**Tranche**" has the meaning given to such term in General Condition 1 (*Introduction*).

"**Underlying**" means each Share, Index, or ETF Share, specified as such in the Issue Terms.

"**Underlying Specific Conditions**" means, in respect of:

- (a) Products linked to a single reference entity (Single Name CLP), Products linked to a several reference entities with equal or individual weightings (Basket CLP) and Products linked to several reference entities within a credit derivatives index or a tranche of such an index (Credit Index CLP) (each a "**Credit Linked Product**"), the Credit Linked Conditions;
- (b) Products linked to one or more shares ("**Share Linked Products**"), the Share Linked Conditions ;
- (c) Products linked to one or more indices ("**Index Linked Products**"), the Index Linked Conditions";
- (d) Products linked to one or more exchange traded funds ("**ETF Linked Products**"), the ETF Linked Conditions (as set out in this Securities Note).

"**Unit**" for the purposes of General Condition 4.1 (*Rounding*), has the meaning given to such term in General Condition 4.1 (*Rounding*).

"**Unscheduled Early Redemption Amount**" means, on any day and in relation to the relevant event leading to early redemption of the Products, an amount in the Settlement Currency equal to the Fair Market Value of such Product (in respect of such Calculation Amount) following the event triggering the early redemption (including the value of accrued interest (if applicable)). Such amount shall be determined as soon as reasonably practicable following the event giving rise to the early redemption of the Products and by reference to such factors as the Calculation Agent considers to be appropriate including, without limitation:

- (a) Fair Market Value for the Underlying(s) and other relevant economic variables (such as interest rates and, if applicable, exchange rates) at the relevant time;
- (b) the remaining life of the Products had they remained outstanding to scheduled maturity and/or any scheduled early redemption date;
- (c) the value at the relevant time of any minimum redemption which would have been applicable had the Products remained outstanding to scheduled maturity and/or any scheduled early redemption date;
- (d) internal pricing models; and
- (e) prices at which other market participants might bid for Products similar to the Products.

"**Unscheduled Early Redemption Date**" means the date as specified in the notice given to Investors in accordance with General Condition 7 (*FX Disruption Event or a CNY FX Disruption Event*) or General Condition 14 (*Early Redemption for Unlawfulness or Impracticability*).

"**USD**", "**US\$**", "**\$**" and "**US Dollars**" each means United States dollars.

21.2 Interpretation

- (a) Capitalised terms used but not defined in these General Conditions will have the meanings given to them in the Payout Conditions, the relevant Underlying Specific Conditions or the Issue

Terms, the absence of any such meaning indicating that such term is not applicable to the Products of the relevant Series.

- (b) Words importing the plural shall include the singular and vice versa, unless the context requires otherwise.
- (c) A reference to a 'person' in the Conditions includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- (d) A reference in the Conditions to a provision of law is a reference to that provision as amended or re-enacted.

References in the Conditions to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

ADDITIONAL PROVISIONS RELATING TO TCM SECURED PRODUCTS

The provisions of this 'Additional Provisions Relating to TCM Secured Products' section of the Securities Note shall apply to TCM Secured Products and, in respect of TCM Secured Products, the General Conditions shall be deemed to be amended in accordance with such provisions. Cross references to General Conditions in this 'Additional Provisions Relating to TCM Secured Products' section of the Securities Note shall be deemed to be (a) in respect of the sub-headings and the explanatory notes contained immediately below the sub-headings, reference to such numbering as if it was unamended by this section of the Securities Note and (b) in respect of the new or amended General Conditions in respect of TCM Secured Products, reference to numbering as amended by such new or amended General Conditions.

1. Amendment of General Condition 3.1 (Status of the Products)

General Condition 3.1 shall be deemed to be deleted in its entirety and replaced by the following:

"The TCM Secured Products constitute general contractual obligations of the Issuer and are collateralized in accordance with the TCM Security Agreement (as described in more detail in the section of this Securities Note 'Description of TCM ("Triparty Collateral Management") Secured Products'). The TCM Secured Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, shall rank *pari passu* with all other collateralised and unsubordinated obligations of the Issuer.

The TCM Secured Products do not evidence deposits of the Issuer. The TCM Secured Products are not insured or guaranteed by any government or government agency."

2. Provision of a new General Condition 12 (Early termination of TCM Secured Products)

The following new General Condition shall be inserted after General Condition 11 (*Agents*) and before General Condition 12 (*Taxation*), and all subsequent General Condition numbering and references thereto shall be amended accordingly:

"12. Early termination of TCM Secured Products

TCM Secured Products shall be collateralised in accordance with the TCM Security Agreement (please see the section of this Securities Note 'Description of TCM ("Triparty Collateral Management") Secured Products' for further detail on the collateralisation of TCM Secured Products). TCM Secured Products may (in addition to any other events causing an early redemption in accordance with the Conditions) be redeemed early in accordance with General Condition 12.1 (*Early termination following a Realization Event*) or General Condition 12.2 (*Early termination following a termination of the TCM Security Agreement*).

12.1 Early termination following a Realization Event

If the Collateral Agent determines that a Realization Event has occurred in respect of a TCM Secured Product, the Collateral shall be liquidated (either by the Collateral Agent or a liquidator under the terms of the applicable legal regulations) and the TCM Secured Product shall be redeemed in accordance with this General Condition 12.1.

Upon the occurrence of a Realization Event, Investors' claims against the Issuer will be based on the Liquidation Value (as determined by the Collateral Agent) when the TCM Secured Products mature in accordance with the TCM Security Agreement.

Upon liquidation of the Collateral following a Realization Event each Investor shall be paid, in respect of each TCM Secured Product held by it, an amount equal to the pro-rata share of the Net Liquidation Proceeds per TCM Secured Product in the relevant Series. Such amount shall be paid to Investors via SIX SIS AG on a delivery versus payment basis.

The claim of Investors is non-interest-bearing. Payment to Investors following the occurrence of a Realization Event may only occur upon completion of the liquidation of the Collateral in accordance with the terms of the TCM Security Agreement. If the payment is delayed for any reason, the Collateral Agent and SIX SIS AG are not liable to pay either default interest or

damages. Each TCM Secured Product will only be secured by the Collateral assigned on the Collateral Account to the respective TCM Secured Product. The Investors' claims against the Issuer in respect of the TCM Secured Product are reduced by the amount of the payment of the Net Liquidation Proceeds. No further Investors' claims exist against the Collateral Agent, SIX SIS AG or other persons which are involved in the collateralisation service for the TCM Secured Product under the terms of the TCM Security Agreement.

If the same event is deemed to constitute both a Realization Event and an Event of Default, the provisions of this General Condition 12.1 shall prevail.

12.2 Early termination following a termination of the TCM Security Agreement

(a) *Termination of the TCM Security Agreement and payment of the TCM Secured Product Early Redemption Amount*

If a TCM Security Agreement Termination Event has occurred, the Issuer may, at any time, redeem all (but not some) of the TCM Secured Products by giving not less than one month's irrevocable notice in accordance with General Condition 15.1, in which case the Issuer shall redeem the TCM Secured Products on the date specified in the relevant notice (in respect of such products the "**TCM Secured Product Early Redemption Date**") and cause to be paid to each Investor, in respect of each TCM Secured Product held by it, an amount equal to the TCM Secured Product Early Redemption Amount. The "**TCM Secured Product Early Redemption Amount**" shall be an amount determined by the Issuer and/or the Calculation Agent in its/their reasonable discretion as the reasonable market price of the relevant TCM Secured product at the time when bid and ask prices for such TCM Secured Product were most recently quoted immediately prior to the end of the collateralisation pursuant to the TCM Security Agreement.

(b) *Taxes, fees or other duties*

All taxes, fees and other duties incurred in connection with the payment of the TCM Secured Product Early Redemption Amount shall be borne and paid by the Investor. The Issuer and/or Paying Agent may withhold from the TCM Secured Product Early Redemption Amount any taxes, fees or duties that have to be paid by the Investor in accordance with this paragraph."

3. Amendment of General Condition 11 (*Agents*)

General Condition 11 (*Agents*) shall be amended by the insertion of the following after General Condition 11.1 (*Appointment of Agents*) and before General Condition 11.2 (*Determinations by the Calculation Agent*) as follows (and all subsequent paragraph numbering shall be amended accordingly):

"11.2 **Collateral Agent**

By purchasing a TCM Secured Product, Investors agree to exercise their rights under the TCM Security Agreement solely through the Collateral Agent. The acquisition of a TCM Secured Product by an investor is automatically accompanied by a declaration to the Collateral Agent, as its representative, that the Collateral Agent may exercise the Investor's rights under the TCM Security Agreement in the event of the Realization Events."

4. Inclusion of new definitions in General Condition 21 (*Definitions and Interpretation*)

The following new definitions shall be deemed to be inserted in to General Condition 21 (*Definitions and Interpretation*) in alphabetical order within the list of existing defined terms:

"**Collateral**" means, in respect of TCM Secured Products, the collateral provided by the Collateral Provider in order to secure such TCM Secured Products in accordance with the TCM Security Agreement.

"**Collateral Account**" means an account of the Collateral Provider with SIX SIS AG.

"Collateral Agent" means, in respect of TCM Secured Products, SIX Repo AG.

"Collateral Provider" means, in respect of a TCM Secured Product, the Issuer.

"Collateral Taker" means, in respect of a TCM Secured Product, the Investors.

"Current Value" means, in respect of a TCM Secured Product and any point in time, the value of such TCM Secured Product at such point in time, calculated exclusively by, and with full responsibility of, the Collateral Provider in accordance with acknowledged accounting principles. Neither the Collateral Agent, nor SIX SIS AG nor SIX Financial Information AG recalculates or otherwise reviews the calculation of the Current Value.

"Liquidation Proceeds" means, in respect of a TCM Secured Product, the proceeds from the liquidation of the Collateral.

"Liquidation Value" means, in respect of a TCM Secured Product and a Realization Event, the most recent Current Value available prior to the corresponding Realization Event Date. The Liquidation Value shall be binding on the Collateral Provider and the Investors.

"Net Liquidation Proceeds" means, in respect of a TCM Secured Product, the Liquidation Proceeds less both (a) any costs of the Collateral Agent in respect of such TCM Secured Product, including in connection with the liquidation of the Collateral (including fees, taxes and duties that arise in conjunction with liquidation) and (b) any outstanding claims that the Collateral Agent holds against the Collateral Provider under the terms of the TCM Security Agreement.

"Realization Event" means, in respect of a TCM Secured Product (and a Realization Event will be deemed to have occurred if), (i) the Collateral Provider fails to furnish the required collateral or fails to do so in due time, unless this is remedied within five (5) Business Days; (ii) the Issuer fails to pay the principal amount under the TCM Secured Product (but not any amount of interest, coupon or other intermediate payment) according to the Conditions when due, unless this is remedied within five (5) Business Days; or (iii) FINMA orders protective measures with regard to the Issuer or the Collateral Provider under article 26 paragraph 1 letter (f) or (h) of the Federal Act on Banks and Savings Banks (the **"Banking Act"**), or restructuring proceedings under article 28 et seq. of Banking Act or liquidation (winding-up proceedings) under article 33 et seq. of the Banking Act. The TCM Security Agreement provides for the exact time at which each Realization Event occurs. The remedy of a Realization Event is not possible. The Collateral Agent will determine, with binding effect for the Investors, whether an incident qualifies as a Realization Event and at what point in time and the date on which the Realization Event occurred (such date, the **"Realization Event Date"**) and such determination will be based upon reliable sources of information only. The Collateral Agent is not required to undertake investigations with regard to the occurrence of a Realization Event.

"TCM Secured Product Early Redemption Amount" shall have the meaning given to such term in General Condition 12.2.

"TCM Secured Product Early Redemption Date" shall have the meaning given to such term in General Condition 12.2.

"TCM Security Agreement" means the security agreement between the Issuer (as the Collateral Provider), the Collateral Taker (represented by the Collateral Agent) and SIX SIS AG.

"TCM Security Agreement Termination Event" means, in the determination of the Issuer, that the TCM Security Agreement is terminated and due to such termination it is not possible to secure the TCM Security Products in accordance with the provisions of the TCM Security Agreement."

PAYOUT CONDITIONS

These payout conditions (the "**Payout Conditions**") shall apply to all Products provided that each paragraph shall only apply where specified to be applicable in the Issue Terms.

1. **Coupon Provisions**

1.1 **No Coupon Amount**

If 'Coupon Provisions' are specified to be 'Not Applicable' in the Issue Terms no Coupon Amounts will be payable in respect of the Products.

1.2 **Coupon Amount**

If 'Coupon Provisions' are specified to be 'Applicable' in the Issue Terms the Coupon Amount payable in respect of each Product on each Coupon Payment Date (and each Coupon Payment Date Set, if specified in the Issue Terms) shall be the Floating Coupon Amount or the Fixed Coupon Amount pursuant to, respectively, paragraph (i) or (ii) below, as applicable:

(i) ***Floating Coupon***

If 'Floating Coupon Provisions' are specified to be 'Applicable' in the Issue Terms, in respect of each Floating Coupon Payment Date, the Coupon Amount payable in respect of each Product on such Floating Coupon Payment Date shall be determined by the Calculation Agent in respect of the Reference Rate in accordance with the following formula (where the Calculation Period for the purposes of determining the Day Count Fraction is the relevant Coupon Period):

$$\text{Calculation Amount} \times \text{IAF} \times (\text{Coupon Fixing Level} + \text{Coupon Margin}) \times \text{DCF};$$

- (A) if Coupon Cap is specified as applicable in the Issue Terms, then the sum of the Coupon Fixing Level and the Coupon Margin shall be subject to a maximum of the Coupon Cap specified in the Issue Terms, and/or
- (B) if Coupon Floor is specified as applicable in the Issue Terms, then the sum of the Coupon Fixing Level and the Coupon Margin shall be subject to a minimum of the Coupon Floor specified in the Issue Terms and/or
- (C) if Coupon Multiplier is specified as applicable in the Issue Terms, then the Coupon Fixing Level shall be multiplied by the Coupon Multiplier.

(ii) ***Fixed Coupon***

If 'Fixed Coupon Provisions' are specified to be 'Applicable' in the Issue Terms, in respect of each Fixed Coupon Payment Date, the Coupon Amount payable in respect of each Product on such Fixed Coupon Payment Date shall be determined in accordance with paragraph (A) or (B) below (as applicable):

- (A) if Coupon Style is specified to be 'Coupon Accrual' in the Issue Terms, the Fixed Coupon Amount shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula (where the Calculation Period for the purposes of determining the Day Count Fraction is the relevant Coupon Period):

$$\text{Calculation Amount} \times \text{IAF} \times \text{Coupon Rate} \times \text{DCF}.$$

- (B) if Coupon Style is specified to be 'Coupon Amount' in the Issue Terms, the Fixed Coupon Amount shall be the Specified Fixed Coupon Amount multiplied by the IAF.

1.3 **Definitions for Coupon Amounts**

"**Administrator**" means, in respect of a Screen Rate, the entity specified as such in the Issue Terms.

"Coupon Amount" means, in respect of a Coupon Payment Date, the coupon amount payable on such Coupon Payment Date as determined in accordance with the relevant paragraph of these Coupon Conditions.

"Coupon Cap" means, in respect of a Coupon Payment Date, the percentage specified in the Issue Terms.

"Coupon Fixing Level" means, in respect of a Coupon Observation Date and a Reference Rate,

(a) if **"Screen Rate"** is specified as 'Applicable' in the Issue Terms:

the level of the Reference Rate for a period of the Designated Maturity provided by the Administrator, expressed as a percentage and on a per annum basis; and

(b) if **"Calculated Rate"** is specified as 'Applicable' in the Issue Terms:

the rate determined by the Calculation Agent on the relevant Coupon Observation Date according to the following formula:

$$\left[\prod_{k=1}^D \left(1 + \frac{r_k \times n_k}{p} \right) - 1 \right] \times \frac{p}{\text{days}}$$

Where:

"D" means the total number of Reference Rate Business Days during the relevant Reference Rate Observation Period;

"days" means the total number of calendar days during the relevant Reference Rate Observation Period;

"k" means the respective Reference Rate Business Day;

"n_k" means the number of calendar days from, and including, Reference Rate Business Day k to, and excluding Reference Rate Business Day k+1 or the respective day on which such Coupon Period ends, whichever is earlier;

"Number d" means the number specified as such in the Issue Terms;

"p" means a number as specified in the Issue Terms;

"Reference Rate Observation Period;" means in respect of each Coupon Period, the period from and including the date that is the Number d Reference Rate Business Days preceding the first date in such Coupon Period to but excluding the date Number d Reference Rate Business Days preceding the day on which such Coupon Period ends; and

"r_k" means the level of the Reference Rate which appears on the relevant Screen Page as of the Relevant Time on the relevant Reference Rate Business Day k.

"Coupon Floor" means, in respect of a Coupon Payment Date, the percentage specified in the Issue Terms.

"Coupon Margin" means the margin in respect of Coupon Payment Date "i" specified as such in the Issue Terms.

"Coupon Multiplier" means, in respect of a Coupon Payment Date, the multiplier specified in the Issue Terms.

"Coupon Observation Date" means, in respect of a Coupon Payment Date and a Reference Rate, subject as provided in 1.4 of the Payout Conditions, each date so specified in the Issue Terms, or if such date is not a Reference Rate Business Day, the next following Reference Rate Business Day.

"Coupon Payment Date" means either a Fixed Coupon Payment Date or Floating Coupon Payment Date, as applicable, subject to the occurrence of an Interest Expiration Date (if applicable).

"Coupon Payment Table" means the table specified as such in the Issue Terms.

"Coupon Period" means, unless specified otherwise in the Issue Terms, in respect of a Coupon Payment Date (for the purposes of this definition of Coupon Period, the **"Relevant Coupon Payment Date"**), the period beginning on (and including) the immediately preceding Coupon Payment Date (or if the Relevant Coupon Payment Date is the first Coupon Payment Date, the Issue Date) and ending on (but excluding) the Relevant Coupon Payment Date, or, if the Issue Terms specify Coupon Period Start Date(s) and Coupon Period End Date(s), the period beginning on (and including) the relevant Coupon Period Start Date and ending on (but excluding) the corresponding Coupon Period End Date and, if the Issue Terms specify that any particular Coupon Period shall be (i) 'Adjusted', then each such Coupon Period shall commence on or end on (as applicable) the relevant Coupon Payment Date after all adjustments are made (if any) to such Coupon Payment Date in accordance with the Conditions, or (ii) 'Unadjusted', then each such Coupon Period shall commence on or end on (as applicable) the date on which the relevant Coupon Payment Date is scheduled to fall, disregarding any adjustments to such Coupon Payment Date in accordance with the Conditions.

"Coupon Period End Date" means each date set forth in the column entitled 'Coupon Period End Date(s)' specified as such in the Coupon Payment Table set out in the Issue Terms.

"Coupon Period Start Date" means each date set forth in the column entitled 'Coupon Period Start Date(s)' specified as such in the Coupon Payment Table set out in the Issue Terms.

"Coupon Rate" means, in respect of a Coupon Payment Date, each per annum rate or percentage (as applicable) specified as such in the Issue Terms, and if such per annum rate or percentage (as applicable) is specified to be indicative, such per annum rate or percentage (as applicable) as the Calculation Agent shall determine in its discretion, taking into account prevailing market conditions, on the Initial Fixing Date, subject to the minimum percentage and, if applicable, the maximum percentage specified in the Issue Terms.

"Coupon Style" means one of the following as specified in the Issue Terms: 'Coupon Accrual' or 'Coupon Amount'.

"Day Count Fraction" means, in respect of the calculation of the Coupon Amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in the Issue Terms, and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"Actual/365"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;

- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (g) if "**30E/360 ISDA**" is so specified means, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and (ICMA)" or "Act/Act; and

"D₂" is the calendar day, expressed as a number, immediately following the last day of the Calculation Period, unless (i) that day is the last day of February but not the due date for redemption of the Products or (ii) such number would be 31, in which case D₂ will be 30.

"DCF" means Day Count Fraction.

"Designated Maturity" means, in respect of a Screen Rate, the period of time (if any) specified as such in the Issue Terms.

"Fixed Coupon Amount" means, in respect of a Coupon Payment Date, the amount determined in accordance with paragraph 1.2(ii)(A) or 1.2(ii)(B) (as applicable) of these Payout Conditions.

"Fixed Coupon Payment Date" means one of the following as specified in the Issue Terms:

- (a) each date specified as such in the Issue Terms; or
- (b) if a Coupon Payment Table is set out in the Issue Terms, each date set forth in the column entitled 'Coupon Payment Date(s)' and specified as Fixed Coupon Payment Date,

subject to adjustment in accordance with the applicable Business Day Convention specified in the Issue Terms.

"Fixed Coupon Provisions" means the provisions of paragraph 1.2(i)(A) of these Payout Conditions.

"Floating Coupon Amount" means, in respect of a Coupon Payment Date, the amount determined in accordance with paragraph 1.2(i) of these Payout Conditions.

"Floating Coupon Payment Date" means, in respect of a Coupon Observation Date, one of the following as specified in the Issue Terms:

- (a) each date specified as such in the Issue Terms; or
- (b) if a Coupon Payment Table is set out in the Issue Terms, each date set forth in the column entitled 'Coupon Payment Date(s)' and specified as Floating Coupon Payment Date,

subject to adjustment in accordance with the applicable Business Day Convention specified in the Issue Terms.

"Floating Coupon Provisions" means the provisions of paragraph 1.2(i) of these Payout Conditions.

"IAF" or "Interest Adjustment Factor" means, as in respect of a Coupon Payment Date, the difference of (a) 100%, and (b), in case of a Single Name CLP, Zero, and in case of a Basket CLP or Credit Index CLP, the sum of Reference Entity Weightings in respect of all Affected Reference Entities as of, but excluding, the relevant Coupon Payment Date.

"Reference Rate" means, subject to adjustment in accordance with these Coupon Provisions, each interest rate or reference rate specified as such in the Issue Terms.

"Reference Rate Business Day" means a day specified as such in the Issue Terms which is either:

- (a) a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre specified in the Issue Terms; or
- (b) a TARGET Business Day.

"Regular Period" means the period specified as such in the Issue Terms.

"Specified Fixed Coupon Amount" means, in respect of a Coupon Payment Date, the amount specified as such in the Issue Terms in respect of such Coupon Payment Date.

1.4 ***Determination of the Reference Rate***

The relevant level of the Reference Rate in respect of any Reference Rate Valuation Date will be determined by the Calculation Agent in its reasonable discretion on the following basis:

- (a) the Calculation Agent will, in its reasonable discretion, determine the relevant level of the respective Reference Rate which appears on the relevant Screen Page as of the Relevant Time on the relevant Reference Rate Valuation Date;
- (b) if, in respect of an Reference Rate Valuation Date, the Calculation Agent determines that the relevant level of the Reference Rate does not appear on the relevant Screen Page or the relevant Screen Page is unavailable, the Calculation Agent will as Fallback Determination of Reference Rate:

- (i) in case the Issue Terms specify Reference Banks Quotation:

- (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of such Reference Rate at approximately the Relevant Time on such Reference Rate Valuation Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (B) determine the arithmetic mean of such quotations (rounded upward or downwards, if necessary, to the Quotation Rounding),

provided that if fewer than two such quotations are provided as requested under paragraph 1.4(a) above, then the Calculation Agent shall determine its estimate of the relevant level of the Reference Rate in respect of such Reference Rate Valuation Date in its reasonable discretion, taking into account the market circumstances prevailing on such day (any such determination made pursuant to this Reference Rate Condition 1.4 shall be notified to Investors in accordance with General Condition 15 (*Notices*));

- (ii) in case the Issue Terms specify Previous Day Rate:

the Calculation Agent will select the last Reference Rate published at the Relevant Time for any of the previous five Business Days;

or

- (c) if the Calculation Agent has determined, in its reasonable discretion, that a Reference Rate Event has occurred, notwithstanding the provisions above in paragraphs 1.4(a) and (b) above, it is entitled:
 - (i) if a successor reference rate has been determined for the respective Reference Rate by a public announcement issued by the administrator of the respective Reference Rate, the competent central bank or a regulatory and/or supervisory authority or a successor administrator (each a "**Relevant Nominating Body**"), to set such rate as the successor reference rate (the "**Successor Reference Rate**") and to use it instead of the respective Reference Rate on the relevant Reference Rate Valuation Date and on any subsequent Reference Rate Valuation Date for the Products; provided that, if two or more

alternative Successor Reference Rates are selected by any Relevant Nominating Body, the Calculation Agent shall determine which of those alternative Successor Reference Rates is most appropriate to preserve the economic features of the relevant Product.

- (ii) if a Successor Reference Rate has not been determined by such announcement, to set as the successor reference rate a rate which is comparable to the respective Reference Rate at its reasonable discretion and taking into account market practices (the "**Successor Reference Rate**") and to use such Successor Reference Rate on the relevant Reference Rate Valuation Date and any subsequent Reference Rate Valuation Date for the Products, where, if the Calculation Agent determines that an appropriate rate exists which is generally accepted in the financial sector as the Successor Reference Rate for the respective Reference Rate, it will set such rate as the Successor Reference Rate for the Products and will use that Successor Reference Rate for the Products on the relevant Reference Rate Valuation Date and any subsequent Reference Rate Valuation Date,

provided that, in the event that a Successor Reference Rate is determined by the Calculation Agent pursuant to subparagraphs (i) or (ii) above, the Calculation Agent shall be entitled to determine in its reasonable discretion the method for periodically determining the amount of the Successor Reference Rate and, if necessary, to make adjustments to the provisions of the Conditions on which the Products are based with respect to the calculation of the Successor Reference Rate and the Coupon and the redemption of the Products in general, provided that only such adjustments are made that do not result in an economic disadvantage to the Investor. The determination of a Successor Reference Rate and any adjustments to the Conditions on which the Products are based pursuant to the preceding paragraphs as well as the respective effective dates thereof shall be announced by the Calculation Agent in accordance with General Condition 15 (*Notices*).

- (d) if the Calculation Agent determines that (i) no determination as described in (a) above would be possible or would achieve a commercially reasonable result; or (ii) in the case of a Reference Rate Event, it is not possible to determine a Successor Reference Rate, the Calculation Agent may determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

1.5 ***Consequences of an Additional Disruption Event***

The following additional terms and conditions shall apply to each Product with a Reference Rate:

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer and/or Calculation Agent may:

- (a) make such adjustment(s) to the Conditions as the Calculation Agent determines appropriate to account for the economic effect on the Products of such Additional Disruption Event; or
- (b) if the Calculation Agent determines that no determination as described in (a) above would be possible or would achieve a commercially reasonable result, determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

1.6 ***Correction of Rates***

In the event that a Relevant Rate is subsequently corrected and the correction (the "**Corrected Rate**") is displayed on the relevant Screen Page on or before the Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant

determination in respect of the Products may have to be made, which, in each case, would require the Relevant Rate, then the Calculation Agent shall be entitled to determine the amount payable or make any such determination in connection with the Products after taking into account such Corrected Rate, and, to the extent necessary, the Issuer and/or Calculation Agent may adjust any relevant terms of the Products to account for such Corrected Rate. Any such determination or adjustment and the date of its first application shall be published in accordance with General Condition 15 (*Notices*).

1.7 ***Additional Definitions in respect of Reference Rates***

The following additional definitions shall have the following meanings in relation to each Product with a Reference Rate:

"Additional Disruption Event" means each of Increased Cost of Hedging, a Change in Law and/or a Hedging Disruption, in each case, if specified to be 'Applicable' in the Issue Terms in respect of the Reference Rate.

"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 Calculation Agent determines in good faith that (i) it has become illegal to hold, acquire or dispose of positions, contracts, instruments or arrangements in relation to a Reference Rate, or (ii) 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 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 Calculation Agent deems necessary to hedge the risk of entering into and performing the Issuer's obligations arising from the Products, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedging Entity" means the Issuer and/or Calculation Agent, any of its affiliates or any entity (or entities) acting on behalf of the Issuer and/or Calculation Agent engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.

"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).

"Level" means, in respect of a Reference Rate and any relevant day, the Screen Rate in respect of such Reference Rate and such day.

"Quotation Rounding" means the rounding specified as such in the Issue Terms.

"Reference Banks" means the major banks selected by the Calculation Agent, in its reasonable discretion, in the Relevant Financial Centre.

"Reference Rate Event" means (a) any permanent and final termination of the determination, provision or publication of the relevant Reference Rate by any administrator in circumstances where no successor administrator exists, or any other permanent and final discontinuation of the existence of the relevant Reference Rate or (b) the competent authority for the administrator of the Reference Rate has issued a public statement, or has published information, in which it is announced that the Reference Rate no longer reflects the underlying market or economic reality or (c) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the relevant rate may no longer be used to determine the payment obligations under the Products, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

"Reference Rate Valuation Date" means each of the following (a) each Coupon Observation Date and (b) each other relevant date on which the Issuer and/or Calculation Agent is required under the Coupon Provisions to determine the level of a Reference Rate, in each case, subject to adjustment in accordance with these Coupon Provisions.

"Relevant Financial Centre" means the city specified as such in the Issue Terms.

"Relevant Rate" means, in respect of a Reference Rate, a rate for such Reference Rate, as displayed on the Screen Page, which is relevant for the Products.

"Relevant Time" means the time specified as such in the Issue Terms.

"Screen Page" means the screen page specified as such in the Issue Terms.

"Screen Rate" means, on any day in respect of a Reference Rate, the relevant rate of such Reference Rate displayed on the relevant Screen Page as of the Relevant Time on the relevant day, as determined by the Calculation Agent subject as provided in the Reference Rate Conditions.

2. Issuer's Call Option

This paragraph 2 of the Payout Conditions shall apply to all Products in respect of which an Issuer Call Option is specified in the Issue Terms.

2.1 Issuer's Call Option

If Issuer Call Option Provisions are specified to be 'Applicable' in the Issue Terms, unless the Products have been previously redeemed or purchased and cancelled, the Issuer may exercise its option to redeem all (but not some only) of the outstanding Products on any Issuer Call Option Exercise Date at (i) the Redemption Amount or (ii) Issuer Call Option Redemption Amount, as specified in the Issue Terms, by giving not less than the Issuer Call Option Notice Period notice prior to such Issuer Call Option Exercise Date to the Investors in accordance with General Condition 15 (*Notices*). Such notice (the "**Issuer Call Option Redemption Notice**") shall specify the Issuer Call Option Exercise Date in respect of which the Issuer intends to exercise its Issuer Call Option and shall designate a Final Fixing Date (if specified as applicable). If the Issuer has exercised its Issuer Call Option, the Products will be redeemed on the relevant Issuer Call Option Redemption Date with the last Coupon Payment Date, if applicable, being the Issuer Call Option Redemption Date.

2.2 Issuer's Call Option Definitions

"Issuer Call Option Exercise Date" means one of the following as specified in the Issue Terms:

- (a) each Business Day falling after the Issue Date; or
- (b) each day specified as such in the Issue Terms; or
- (c) if an Issuer Call Option Table is set out in the Issue Terms, each date set forth in the column entitled 'Issuer Call Option Exercise Date(s)' in the row corresponding to such Issuer Call Option Redemption Date.

"Issuer Call Option Notice Period" means the period specified as such in the Issue Terms.

"Issuer Call Option Redemption Amount" means (i) the amount specified in the Issue Terms or (ii) the Liquidation Amount (as defined in 3.4 of the Payout Provisions), as specified in the Issue Terms.

"Issuer Call Option Redemption Date" means one of the following as specified in the Issue Terms:

- (a) the number of Business Days following the Final Fixing Date or if the Final Fixing Date falls on different dates for different Underlyings, the number of Business Days following the latest of such dates to occur; or
- (b) each day specified as such in the in the Issue Terms; or
- (c) if an Issuer Call Option Table is set out in the Issue Terms, each date set forth in the column entitled 'Issuer Call Option Redemption Date(s)' in the row corresponding to such Issuer Call Option Exercise Date.

"Issuer Call Option Table" means the table specified as such in the Issue Terms.

3. Redemption Provisions

This paragraph 3 of the Payout Conditions shall apply to all Products.

3.1 Types of Credit Linked Products

The Products may be Single Name CLPs, Basket CLPs or Credit Index CLPs, as specified in the Issue Terms (the "**Credit Linked Products**").

"Single Name CLP" means a Product, the payment on which is determined by reference to and/or contingent upon the occurrence of a Relevant Credit Event with respect to a single Reference Entity.

"Basket CLP" means a Product, the payment on which is determined by reference to and/or contingent upon the occurrence of a Relevant Credit Event with respect to more than one Reference Entity comprising the Reference Basket.

"Credit Index CLP" means a Product, where the Issuer purchases credit protection from the Investors in respect of a Credit Index or a tranche of a Credit Index.

3.2 Redemption

(a) *Redemption in case no Credit Event has occurred*

Unless the Products have been previously redeemed or purchased and cancelled and unless a Credit Event Determination pursuant to 3.6(a) (*Credit Event Determination*) has been made, the Issuer will redeem each Product on the Redemption Date at the Redemption Amount.

(b) *Redemption in case a Credit Event has occurred*

Following a Credit Event Determination pursuant to 3.6(a) (*Credit Event Determination*), the Issuer will redeem each Product at its Liquidation Amount on the Redemption Date.

3.3 Redemption Amount

The Redemption Amount shall be an amount in the Settlement Currency determined by the Calculation Agent as follows, as specified in the Issue Terms:

(a) *At Par Redemption Amount*

If Payout Style 'Credit Linked Product' is specified to be 'Applicable' in the Issue Terms, the Redemption Amount will be determined in accordance with the following formula:

$$\text{Calculation Amount} \times \text{Reference Level}$$

Where:

"Reference Level" means the percentage specified in the Issue Terms.

(b) *Redemption Amount with an Underlying Component*

If Payout Style 'Credit Linked Products with an Underlying Component' is specified to be 'Applicable' in the Issue Terms, the Redemption Amount will be determined in accordance with the relevant formula in paragraph (i) to (x) below, as applicable:

(i) *Variant 1 (single Underlying, bullish)*

(A) If the Final Fixing Level is at or below the Strike Level:

$$\text{Calculation Amount} \times \text{Reference Level}$$

(B) if the Final Fixing Level is above the Strike Level:

$$\text{Calculation Amount} \times (\text{Reference Level} + \text{Participation} \times \left(\frac{(\text{Final Fixing Level} - \text{Initial Fixing Level})}{\text{Initial Fixing Level}} \right))$$

Where:

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(ii) ***Variant 2 (single Underlying, bullish)***

(A) If the Final Fixing Level is at or below the Strike Level:

$$\text{Calculation Amount} \times \text{Reference Level}$$

(B) if the Final Fixing Level is above the Strike Level:

$$\text{Calculation Amount} \times (\text{Reference Level} + \text{Participation} \times \left(\frac{(\text{Final Fixing Level} - \text{Strike Level})}{\text{Initial Fixing Level}} \right))$$

Where:

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(iii) ***Variant 3 (single Underlying, bullish)***

(A) If the Final Fixing Level is at or below the Strike Level:

Calculation Amount x Reference Level

(B) if the Final Fixing Level is above the Strike Level, but at or below the Initial Fixing Level multiplied by the Cap Level:

Calculation Amount x (Reference Level + Participation x $\left(\frac{(\text{Final Fixing Level} - \text{Initial Fixing Level})}{\text{Initial Fixing Level}} \right)$)

(C) if the Final Fixing Level is above the Initial Fixing Level multiplied by the Cap Level:

Calculation Amount x (Reference Level + Participation x (Cap Level – Strike Level))

Where:

"Cap Level" means the percentage specified in the Issue Terms;

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(iv) **Variant 4 (single Underlying, bullish)**

(A) If the Final Fixing Level is at or below the Strike Level:

Calculation Amount x Reference Level

(B) if the Final Fixing Level is above the Strike Level, but at or below the Initial Fixing Level multiplied by the Cap Level:

Calculation Amount x (Reference Level + Participation x $\left(\frac{\text{Final Fixing Level} - \text{Strike Level}}{\text{Initial Fixing Level}}\right)$)

(C) if the Final Fixing Level is above the Initial Fixing Level multiplied by the Cap Level:

Calculation Amount x (Reference Level + Participation x (Cap Level – Strike Level))

Where:

"Cap Level" means the percentage specified in the Issue Terms;

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(v) **Variant 5 (single Underlying, bearish)**

(A) If the Final Fixing Level is at or above the Strike Level:

Calculation Amount x Reference Level

(B) if the Final Fixing Level is below the Strike Level:

Calculation Amount x $\left(\text{Reference Level} + \text{Participation} \times \left(\text{IP} - \frac{(\text{Final Fixing Level})}{\text{Initial Fixing Level}} \right) \right)$

Where:

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"IP" or **"Inverse Percentage"** means the percentage specified as such in the Issue Terms, and if such percentage is specified to be indicative, such percentage as the Calculation Agent shall determine in its discretion, taking into account prevailing market conditions, on the Initial Fixing Date, subject to the minimum percentage and, if applicable, the maximum percentage specified in the Issue Terms.

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(vi) **Variant 6 (single Underlying, bearish)**

(A) If the Final Fixing Level is at or above the Strike Level:

Calculation Amount x Reference Level

(B) if the Final Fixing Level is below the Strike Level:

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$$\text{Calculation Amount} \times (\text{Reference Level} + \text{Participation} \times (\text{IP} - \frac{(\text{Final Fixing Level})}{\text{Strike Level}}))$$

Where:

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"IP" or **"Inverse Percentage"** means the percentage specified as such in the Issue Terms, and if such percentage is specified to be indicative, such percentage as the Calculation Agent shall determine in its discretion, taking into account prevailing market conditions, on the Initial Fixing Date, subject to the minimum percentage and, if applicable, the maximum percentage specified in the Issue Terms.

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(vii) ***Variant 7 (single Underlying, bearish)***

(A) If the Final Fixing Level is at or above the Strike Level:

$$\text{Calculation Amount} \times \text{Reference Level}$$

(B) if the Final Fixing Level is below the Strike Level, but at or above the Initial Fixing Level multiplied by the Cap Level:

$$\text{Calculation Amount} \times (\text{Reference Level} + \text{Participation} \times (\text{IP} - \frac{(\text{Final Fixing Level})}{\text{Initial Fixing Level}}))$$

(C) if the Final Fixing Level is below the Initial Fixing Level multiplied by the Cap Level:

$$\text{Calculation Amount} \times (\text{Reference Level} + \text{Participation} \times (\text{Strike Level} - \text{Cap Level}))$$

Where:

"Cap Level" means the percentage specified in the Issue Terms;

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"IP" or **"Inverse Percentage"** means the percentage specified as such in the Issue Terms, and if such percentage is specified to be indicative, such percentage as the Calculation Agent shall determine in its discretion, taking into account prevailing market conditions, on the Initial Fixing Date, subject to the minimum percentage and, if applicable, the maximum percentage specified in the Issue Terms.

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(viii) ***Variant 8 (single Underlying, bearish)***

(A) If the Final Fixing Level is at or above the Strike Level:

Calculation Amount x Reference Level

(B) if the Final Fixing Level is below the Strike Level, but at or above the Initial Fixing Level multiplied by the Cap Level:

Calculation Amount x (Reference Level + Participation x $(IP - \frac{(\text{Final Fixing Level})}{\text{Strike Level}}))$)

(C) if the Final Fixing Level is below the Initial Fixing Level multiplied by the Cap Level:

Calculation Amount x (Reference Level + Participation x (Strike Level – Cap Level))

Where:

"Cap Level" means the percentage specified in the Issue Terms;

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means the Level of the Underlying in respect of the Final Fixing Date;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of the Underlying in respect of the Initial Fixing Date;

"IP" or **"Inverse Percentage"** means the percentage specified as such in the Issue Terms, and if such percentage is specified to be indicative, such percentage as the Calculation Agent shall determine in its discretion, taking into account prevailing market conditions, on the Initial Fixing Date, subject to the minimum percentage and, if applicable, the maximum percentage specified in the Issue Terms.

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms; and

"Strike Level" means the percentage specified in the Issue Terms.

(ix) ***Variant 9 (basket Underlying, bullish)***

(A) If the Final Basket Performance is negative or zero:

$$\text{Calculation Amount} \times \text{Reference Level}$$

(B) if the Final Basket Performance is positive:

$$\text{Calculation Amount} \times (\text{Reference Level} + \text{Participation} \times \text{MIN}(\text{Cap Level} - \text{Strike Level}; \text{Final Basket Performance}))$$

Where:

"Cap Level" means the percentage specified in the Issue Terms;

"Final Basket Performance" means the sum of the products of the initial weights of the Underlyings and the performance of each Underlying on the Final Fixing Date, which shall be the amount calculated by the Calculation Agent in accordance with the following formula:

$$\sum_{i=1}^N w_i \times \left(\frac{\text{Final Fixing Level}_i}{\text{Initial Fixing Level}_i} - \text{Strike Level} \right)$$

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means, in respect of an Underlying, the Level of such Underlying in respect of the Final Fixing Date;

"Final Fixing Level_i" means the Final Fixing Level of Underlying "i";

"i" means a unique integer from 1 to N, each representing a separate Underlying in the basket;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means, in respect of an Underlying, the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of such Underlying in respect of the Initial Fixing Date;

"Initial Fixing Level_i" means the Initial Fixing Level of Underlying "i";

"N" means the number of Underlyings;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms;

"Strike Level" means the percentage specified in the Issue Terms; and

"w_i" means the weighing of the Underlying "i", as specified in the Issue Terms.

(x) ***Variant 10 (basket Underlying, bullish)***

(A) If the Final Basket Performance is negative or zero:

$$\text{Calculation Amount} \times \text{Reference Level}$$

(B) if the Final Basket Performance is positive:

$$\text{Calculation Amount} \times (\text{Reference Level} + \text{Participation} \times \text{Final Basket Performance})$$

Where:

"Final Basket Performance" means the sum of the products of the initial weights of the Underlyings and the performance of each Underlying on the Final Fixing Date, which shall be the amount calculated by the Calculation Agent in accordance with the following formula:

$$\sum_{i=1}^N w_i \times \left(\frac{\text{Final Fixing Level}_i}{\text{Initial Fixing Level}_i} - \text{Strike Level} \right)$$

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means, in respect of an Underlying, the Level of such Underlying in respect of the Final Fixing Date;

"Final Fixing Level_i" means the Final Fixing Level of Underlying "i";

"i" means a unique integer from 1 to N, each representing a separate Underlying in the basket;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means, in respect of an Underlying, the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of such Underlying in respect of the Initial Fixing Date;

"Initial Fixing Level_i" means the Initial Fixing Level of Underlying "i";

"N" means the number of Underlyings;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms;

"Strike Level" means the percentage specified in the Issue Terms; and

"w_i" means the weighing of the Underlying "i", as specified in the Issue Terms.

(xi) ***Variant 11 (basket Underlying, bearish)***

(A) If the Final Basket Performance is negative or zero:

Calculation Amount x Reference Level

(B) if the Final Basket Performance is positive:

Calculation Amount x (Reference Level + Participation x MIN(Strike Level – Cap Level; Final Basket Performance))

Where:

"Cap Level" means the percentage specified in the Issue Terms;

"Final Basket Performance" means the sum of the products of the initial weights of the Underlyings and the performance of each Underlying on the Final Fixing Date, which shall be the amount calculated by the Calculation Agent in accordance with the following formula:

$$\sum_{i=1}^N w_i \times \left(\text{Strike Level} - \frac{\text{Final Fixing Level}_i}{\text{Initial Fixing Level}_i} \right)$$

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means, in respect of an Underlying, the Level of such Underlying in respect of the Final Fixing Date;

"Final Fixing Level_i" means the Final Fixing Level of Underlying "i";

"i" means a unique integer from 1 to N, each representing a separate Underlying in the basket;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means, in respect of an Underlying, the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of such Underlying in respect of the Initial Fixing Date;

"Initial Fixing Level_i" means the Initial Fixing Level of Underlying "i";

"N" means the number of Underlyings;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms;

"Strike Level" means the percentage specified in the Issue Terms; and

"w_i" means the weighing of the Underlying "i", as specified in the Issue Terms.

(xii) **Variant 12 (basket Underlying, bearish)**

(A) If the Final Basket Performance is negative or zero:

Calculation Amount x Reference Level

(B) if the Final Basket Performance is positive:

Calculation Amount x (Reference Level + Participation x Final Basket Performance)

Where:

"Final Basket Performance" means the sum of the products of the initial weights of the Underlyings and the performance of each Underlying on the Final Fixing Date, which shall be the amount calculated by the Calculation Agent in accordance with the following formula:

$$\sum_{i=1}^N w_i \times \left(\text{Strike Level} - \frac{\text{Final Fixing Level}_i}{\text{Initial Fixing Level}_i} \right)$$

"Final Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Final Fixing Level" means, in respect of an Underlying, the Level of such Underlying in respect of the Final Fixing Date;

"Final Fixing Level_i" means the Final Fixing Level of Underlying "i";

"i" means a unique integer from 1 to N, each representing a separate Underlying in the basket;

"Initial Fixing Date" means, subject as provided in the Underlying Specific Conditions, the date specified as such in the Issue Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day;

"Initial Fixing Level" means, in respect of an Underlying, the following (and, if the amount determined is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms): the Level of such Underlying in respect of the Initial Fixing Date;

"Initial Fixing Level_i" means the Initial Fixing Level of Underlying "i";

"N" means the number of Underlyings;

"Participation" means the percentage specified in the Issue Terms;

"Reference Level" means the percentage specified in the Issue Terms;

"Strike Level" means the percentage specified in the Issue Terms; and

"w_i" means the weighing of the Underlying "i", as specified in the Issue Terms.

3.4 Liquidation Amount

The Liquidation Amount shall be an amount in the Settlement Currency determined by the Calculation Agent on the Liquidation Amount Valuation Date as follows, as specified in the Issue Terms.

"Liquidation Amount Valuation Date" means a date selected by the Issuer not less than five Business Days following the Event Determination Date.

(a) *Regular Recovery of Single Name CLP with Payout Style 'Credit Linked Product'*

If 'Regular Recovery' is specified to be 'Applicable' in the Issue Terms, the Liquidation Amount of a Single Name CLP with the Payout Style 'Credit Linked Product', will be determined in accordance with the following formula:

(i) Calculation Amount multiplied by the Reference Level

less

(ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Affected Reference Entity and

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less

- (iii) the pro rata share of any Swap Costs and Settlement Expenses.

In case of an exercise of the Issuer's Call Option, the Liquidation Amount equals

- (i) the Calculation Amount multiplied by the Reference Level

less

- (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entity and

less

- (iii) the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

In case the Issuer gets a delivery of obligations from any hedge position, the Issuer shall try to sell such obligations at the market within 20 calendar days after the Final Fixing Date. If for whatever reason the Issuer is unable to do so, the Issuer shall act as the buyer of last resort. In such a case, the price of the affected obligations will be determined by the Calculation Agent in its sole and absolute discretion and might in extreme cases be zero.

(b) ***Regular Recovery of Basket CLP and Credit Index CLP with Payout Style 'Credit Linked Product'***

If 'Regular Recovery' is specified to be 'Applicable' in the Issue Terms, the Liquidation Amount of a Basket CLP or Credit Index CLP with the Payout Style 'Credit Linked Product', will be determined in accordance with the following formula:

- (i) Calculation Amount multiplied by the Reference Level

less

- (ii) the sum of the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Affected Reference Entities taking into account their Reference Entity Weightings and

less

- (iii) the pro rata share of any Swap Costs and Settlement Expenses.

In case of an exercise of the Issuer's Call Option, the Liquidation Amount equals

- (i) the Calculation Amount multiplied by the Reference Level

less

- (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entities and

less

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- (iii) the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

In case the Issuer gets a delivery of obligations from any hedge position, the Issuer shall try to sell such obligations at the market within 20 calendar days after the Final Fixing Date. If for whatever reason the Issuer is unable to do so, the Issuer shall act as the buyer of last resort. In such a case, the price of the affected obligations will be determined by the Calculation Agent in its sole and absolute discretion and might in extreme cases be zero.

(c) ***Regular Recovery of Single Name CLP with Payout Style 'Credit Linked Product with an Underlying Component'***

If 'Regular Recovery' is specified to be 'Applicable' in the Issue Terms, the Liquidation Amount of a Single Name CLP with the Payout Style 'Credit Linked Product with an Underlying Component', will be determined in accordance with the following formula:

- (i) Calculation Amount multiplied by the Reference Level
less
- (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Affected Reference Entity and
less or plus
- (iii) the pro rata share of all gains or costs from the settlement of any hedge position relating to the Underlying(s) and
less
- (iv) the pro rata share of any Swap Costs and Settlement Expenses.

In case of an exercise of the Issuer's Call Option, the Liquidation Amount equals

- (i) the Calculation Amount multiplied by the Reference Level
less
- (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entity and
less or plus
- (iii) the pro rata share of all gains or costs from the unwinding or the settlement of any hedge position relating to the Underlying(s) and
less
- (iv) the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

In case the Issuer gets a delivery of obligations from any hedge position, the Issuer shall try to sell such obligations at the market within 20 calendar days after the Final Fixing Date. If for whatever reason the Issuer is unable to do so, the Issuer shall act as the buyer of last resort. In such a case, the price of the affected obligations will be determined by the Calculation Agent in its sole and absolute discretion and might in extreme cases be zero.

(d) ***Regular Recovery of Basket CLP and Credit Index CLP with Payout Style 'Credit Linked Product with an Underlying Component'***

If 'Regular Recovery' is specified to be 'Applicable' in the Issue Terms, the Liquidation Amount of a Basket CLP or Credit Index CLP with the Payout Style 'Credit Linked Product with an Underlying Component', will be determined in accordance with the following formula:

- (i) Calculation Amount multiplied by the Reference Level
- less
- (ii) the sum of the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Affected Reference Entities taking into account their Reference Entity Weightings and
- less or plus
- (iii) the pro rata share of all gains or costs from the settlement of any hedge position relating to the Underlying(s) and
- less
- (iv) the pro rata share of any Swap Costs and Settlement Expenses.

In case of an exercise of the Issuer's Call Option, the Liquidation Amount equals

- (i) the Calculation Amount multiplied by the Reference Level
- less
- (ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entities and
- less or plus
- (iii) the pro rata share of all gains or costs from the unwinding or the settlement of any hedge position relating to the Underlying(s) and
- less
- (iv) the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

In case the Issuer gets a delivery of obligations from any hedge position, the Issuer shall try to sell such obligations at the market within 20 calendar days after the Final Fixing Date. If for whatever reason the Issuer is unable to do so, the Issuer shall act as the buyer of last resort. In such a case, the price of the affected obligations will be determined by the Calculation Agent in its sole and absolute discretion and might in extreme cases be zero.

(e) ***Fixed Recovery or Zero Recovery (Single Name CLP)***

If 'Fixed Recovery' or 'Zero Recovery' is specified to be 'Applicable' in the Issue Terms, the Liquidation Amount of a Single Name CLP with the Payout Style 'Credit Linked Product', will be determined in accordance with the following formula:

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Calculation Amount x Recovery Value

Where:

"Recovery Value" shall mean 0, in case 'Zero Recovery' is specified as applicable in the Issue Terms, or the fixed value specified in the Issue Terms, in case 'Fixed Recovery' is specified as applicable in the Issue Terms.

In case of an exercise of the Issuer's Call Option, the Liquidation Amount equals

(i) the Calculation Amount multiplied by the Reference Level

less

(ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entities and

less

(iii) the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

In case the Issuer gets a delivery of obligations from any hedge position, the Isser shall try to sell such obligations at the market within 20 calendar days after the Final Fixing Date. If for whatever reason the Issuer is unable to do so, the Issuer shall act as the buyer of last resort. In such a case, the price of the affected obligations will be determined by the Calculation Agent in its sole and absolute discretion and might in extreme cases be zero.

(f) ***Fixed Recovery or Zero Recovery (Basket CLP and Credit Index CLP)***

If 'Fixed Recovery' or 'Zero Recovery' is specified to be 'Applicable' in the Issue Terms, the Liquidation Amount of a Basket CLP or Credit Index CLP with the Payout Style 'Credit Linked Product', will be determined in accordance with the following formula:

$$(\text{Calculation Amount} \times (100\% - \text{Redemption Adjustment Factor})) + (\text{Calculation Amount} \times \text{Reference Level} \times \text{Redemption Adjustment Factor} \times \text{Recovery Value})$$

Where:

"Recovery Value" shall mean 0, in case 'Zero Recovery' is specified as applicable in the Issue Terms, or the fixed value specified in the Issue Terms, in case 'Fixed Recovery' is specified as applicable in the Issue Terms.

"Reference Level" means the percentage specified in the Issue Terms;

"Redemption Adjustment Factor" means the the sum of the Reference Entity Weightings in respect of all Affected Reference Entities.

In case of an exercise of the Issuer's Call Option, the Liquidation Amount equals

(i) the Calculation Amount multiplied by the Reference Level

less

(ii) the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the Reference Entities and

less

(iii) the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

In case the Issuer gets a delivery of obligations from any hedge position, the Issuer shall try to sell such obligations at the market within 20 calendar days after the Final Fixing Date. If for whatever reason the Issuer is unable to do so, the Issuer shall act as the buyer of last resort. In such a case, the price of the affected obligations will be determined by the Calculation Agent in its sole and absolute discretion and might in extreme cases be zero.

3.5 **Redemption Date**

The Redemption Date shall be, except where an early redemption at the Unscheduled Early Redemption Amount has occurred or an Issuer Call Option Redemption Date, if applicable, has occurred, the later of (i) the Scheduled Redemption Date or, where an Extension Notice is given, the Deferred Redemption Date and (ii) the tenth Business Day following the determination of the Liquidation Amount.

3.6 **Credit Event Determinations and consequences**

(a) ***Credit Event Determination***

The Issuer may, at any point during the Notice Delivery Period (or, at any point thereafter on or prior to the Products Extension Date), deliver a Credit Event Notice (provided that a Relevant Event Determination Date may only occur following the Scheduled Redemption Date where an Extension Notice has been delivered) in accordance with the provisions of the Credit Linked Conditions and the Issue Terms.

The Issuer's determination of a Credit Event will, in the absence of manifest error and subject to the 'Event Determination Date' definition, be conclusive and binding on all persons (including, without limitation, the Investors).

The Issuer may elect in its discretion to deliver or not to deliver a Credit Event Notice and neither the Issuer nor the relevant Agent will have any liability whatsoever for the failure of the Issuer for any reason to determine that a Credit Event has occurred or with respect to the Issuer's election as to when to deliver a Credit Event Notice or Notice of Publicly Available Information, nor will they have any duty or responsibility to investigate or check whether any Credit Event has, or may have, occurred or may be continuing.

When determining Credit Events or other events with respect to the relevant Reference Entity or when applying or interpreting any provisions of the Credit Linked Conditions, including any rights of the Issuer thereunder to postpone any payment dates, the Issuer and the Calculation Agent may refer to ISDA Terms, rely on DC Resolutions of the Credit Derivatives Determinations Committee, in particular a DC Credit Event Announcement, and the application of ISDA Terms by the Credit Derivatives Determinations Committee.

The Issuer shall be entitled to make adjustments to the Credit Linked Conditions, if this is required in case of material amendments to the ISDA Terms or specific DC Resolutions to account for such amended ISDA Terms and DC Resolutions under the Notes.

(b) ***Relevant Credit Events***

If a Relevant Event Determination Date has occurred in respect of a Reference Entity on or prior to the Scheduled Redemption Date, or, if applicable, the Products Extension Date, and provided that the Products have not previously been redeemed or cancelled in full then, with respect to the Coupon Provisions only, the Calculation Amount of each Credit Linked Product shall be reduced by an amount equal to its pro rata share (on a per Calculation Amount basis) of the related Reference Entity Notional Amount with effect from the related Interest Expiration Date.

In connection with any redemption of Products, the Issuer shall deliver, or may cause the relevant Agent at the expense of the Issuer to deliver, a notice (a "**Credit Event Redemption Notice**") in accordance with Credit Linked Condition 4 (*Notices*) to the Investors, with a copy to the Calculation Agent and any other relevant Agent. The Credit Event Redemption Notice will:

- (A) identify the Products to which the Credit Event Redemption Notice relates;
- (B) state the Issuer's intention to redeem the Products at the Liquidation Amount on the Redemption Date pursuant to Condition 3.2 (*Redemption*).

If a Credit Event Notice or Notice of Publicly Available Information specifies the information required to be specified in a Credit Event Redemption Notice, such notice will be deemed to be a Credit Event Redemption Notice.

(c) ***Interest after Scheduled Redemption***

In addition to amounts of interest (if any) accrued in accordance with the Coupon Provisions, in respect of the Extended Interest Period (if any), unless 'Extension Interest' is specified as not applicable in the Issue Terms and provided no Relevant Event Determination Date occurs on or prior to the Products Extension Date, interest ("**Extension Interest**") on each interest-bearing Credit Linked Product will be payable in arrears on the Deferred Redemption Date in an amount determined by the Calculation Agent equal to the sum for each day in the Extended Interest Period of the product of (i) the Calculation Amount on such day, (ii) the overnight deposit rate quoted by the Issuer (or any of its Affiliates) for deposits in the Settlement Currency for such day and (iii) 1/360. If 'Extension Interest' is specified as not applicable in the Issue Terms, no amount of Extension Interest or other interest shall accrue or be payable on each such Credit Linked Product in respect of any period on or following the Scheduled Redemption Date, notwithstanding that the Deferred Redemption Date occurs following such date.

4. General Definitions

The following terms and expressions shall have the following meanings in respect of all Products:

"Coupon Provisions" means the provisions of these Payout Conditions that provide for the potential payment of Coupon Amount(s) on the relevant Coupon Payment Dates and will be specified as either 'Applicable' or 'Not Applicable' in the Issue Terms.

"Day Count Fraction" has the meaning as defined in paragraph 1.3 (*Definitions for Coupon Amounts*) of these Payout Conditions.

"Level" has the meaning given to such term in the Underlying Specific Conditions.

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Min" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"Payout Style" means, in respect of the Products, one of the following as specified in the Issue Terms: 'Credit Linked Products', 'Credit Linked Products with an Underlying Component'.

"Redemption Amount" means, in respect of a Product, the amount payable on the Redemption Date as determined in accordance with the relevant sub-paragraph of these Payout Conditions that is applicable to the Product.

"Scheduled Redemption Date" means one of the following (as applicable) as specified in the Issue Terms:

- (a) the date specified as such in the Issue Terms (subject to adjustment in accordance with the applicable Business Day Convention specified in the Issue Terms, the next following Business Day); or
- (b) the number of Business Days following either (i) the Final Fixing Date or (ii) the later of the Final Fixing Date, as specified in the Issue Terms and in each case, if the Final Fixing Dates fall on different dates for different Underlyings, the number of Business Days following the latest of such dates to occur.

PROVIDED that if Issuer Call Option Provisions are specified to be 'Applicable' in the Issue Terms, in respect of each Product for which the Issuer has exercised its Issuer Call Option, the Redemption Date shall be the Issuer Call Option Redemption Date.

"Strike Level" means, in respect of an Underlying, one of the following as specified in the Issue Terms (and, if the amount determined in accordance with either (a) or (b) (as applicable) is known at the time of producing the Issue Terms, such amount shall also be specified in the Issue Terms):

- (a) an amount equal to the percentage of the Initial Fixing Level of such Underlying and if such percentage is specified to be indicative, such percentage as the Calculation Agent shall determine in its discretion, taking into account prevailing market conditions, on the Initial Fixing Date, subject to the minimum percentage and, if applicable, the maximum percentage specified in the Issue Terms; or
- (b) an amount equal to the percentage of the Level of such Underlying in respect of the Initial Fixing Date;

PROVIDED THAT each reference to 'Level' in respect of an Underlying in this definition of Strike Level shall be deemed to refer to the specific type of Level specified in the Issue Terms for such Underlying in respect of the Strike Level.

CREDIT LINKED CONDITIONS

1. Credit Linked Conditions

The following Credit Linked Conditions (the "**Credit Linked Conditions**") are applicable to all Products issued under this Programme by the Issuer and shall be read in conjunction with the General Terms and Conditions and the Payout Conditions. In case of inconsistencies between these Credit Linked Products Conditions and the Issue Terms, the Issue Terms shall prevail.

2. Redemption Failure Event

"**Redemption Failure Event**" means, in each case as determined by the Calculation Agent:

- (a) that it is impossible or illegal for the Issuer to pay (due to an event beyond the control of the Issuer), or for an Investor to accept payment of (due to an event beyond the control of such Investor), any cash amount (including, without limitation, any Liquidation Amount) required to be paid on the date scheduled for such payment; or
- (b) the failure of an Investor to surrender a Credit Linked Product for cancellation or endorsement on or before the Scheduled Redemption Date or, as applicable, Deferred Redemption Date or any Credit Event Redemption Date, as the case may be.

In circumstances where a Redemption Failure Event has occurred prior to the Scheduled Redemption or, as applicable, Deferred Redemption Date, the obligation of the Issuer to pay any cash amount affected by such Redemption Failure Event shall, subject to the following paragraph, be postponed without further act or notice, and such payment will be made on a Business Day selected by the Calculation Agent on which such Redemption Failure Event no longer exists.

If a Redemption Failure Event has occurred and exists on the Scheduled Redemption Date or, as applicable, Deferred Redemption Date, the obligation of the Issuer to pay any cash amount (including, without limitation, the obligation to pay any Liquidation Amount) on such date will be postponed (or will continue to be postponed, as the case may be) without further act or notice, and such payment will be made on a Business Day selected by the Calculation Agent on which such Redemption Failure Event no longer exists, provided that, if such Redemption Failure Event continues to exist on the tenth Business Day after the Scheduled Redemption Date or, as applicable, Deferred Redemption Date or other scheduled payment date in respect of an amount required to be paid, the Investor may request the Issuer in writing to make payment of such amount to such account or to such other person as the Investor specifies (the "**Alternative Settlement Request**"), provided that the Issuer first receives an irrevocable and unconditional release and indemnity in respect of liabilities arising therefrom to its absolute satisfaction and provided further that the Issuer shall be entitled to refuse to comply with such Alternative Settlement Request in its absolute and sole discretion without any further explanation.

Notwithstanding anything to the contrary in the General Terms and Conditions, if the Calculation Agent determines that such Redemption Failure Event continues to exist on the 180th calendar day after the Scheduled Redemption Date or, as applicable, Deferred Redemption Date or other scheduled payment date in respect of an amount required to be paid, no such payment will be made by the Issuer and the Issuer's obligations to the Investor hereunder will be deemed to be fully discharged as of that date.

Any postponement or deemed discharge of payment pursuant to this Credit Linked Condition 2 (*Redemption Failure Event*) will not constitute a default hereunder (including for the purpose of the General Terms and Conditions) and will not entitle the relevant Investor to any additional interest or other payment as a result thereof.

3. Calculation Agent

Except as otherwise set out in the Issue Terms, any determination, discretion or calculation of the Issuer as may be specified in these Credit Linked Conditions will be made by the Issuer, as applicable, and neither the Issuer nor the Calculation Agent will assume any obligation to, or relationship of agency or trust with, any Investors or any other person. Furthermore, each Investor agrees that neither the Issuer nor the Calculation Agent is acting as fiduciary for or as an adviser to such Investor in respect of its duties as Issuer or Calculation Agent. In making any such determination or calculation or exercising any

such discretion, neither the Issuer nor Calculation Agent shall be required to take into account any person's interest other than its own.

The Calculation Agent is responsible for, inter alia:

- (a) determining a Successor or Successors and making any other determinations required to be made under the Successor Provisions;
- (b) determining whether (i) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (ii) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms or (iii) for any reason other than as described in (i) or (ii) above and other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity;
- (c) identifying and determining a Substitute Reference Obligation;
- (d) determining the Currency Rate;
- (e) determining the Representative Amount;
- (f) determining the Outstanding Principal Balance; and

if 'Include Accrued Interest' is specified in the Issue Terms, determining accrued but unpaid interest. Except as otherwise expressly set out herein or in the Issue Terms, whenever the Calculation Agent is required to act or to exercise its judgement, it will do so in good faith and in a commercially reasonable manner. Each Investor in respect of the relevant Series of Credit Linked Products acknowledges and agrees that the Calculation Agent is not acting as a fiduciary for or an adviser to any person in respect of the Products, and acts in all respects as an arm's length contractual counterparty.

If any of the matters set out in this Credit Linked Condition 3 (*Calculation Agent*) are decided and/or determined by a Credit Derivatives Determinations Committee, the Calculation Agent shall follow such decision or determination to the extent such decision and/or determination is applicable to any Series of Credit Linked Products.

4. Notices

(a) *Notices required to be delivered*

The Issuer shall give notice in accordance with General Condition 15 (*Notices*) to Investors of the following, to the extent required to be delivered for Credit Linked Products and unless otherwise specified in the Issue Terms:

- (i) Credit Event Notice;
- (ii) Notice of Publicly Available Information;
- (iii) Extension Notice;
- (iv) Repudiation/Moratorium Extension Notice;
- (v) the occurrence of any Successor determination, including, if applicable, details of any Successors and any amendments to the weighting of each Reference Entity within the Reference Basket (provided that (A) no Successor Notice shall be required following a determination by a Credit Derivatives Determinations Committee that a succession event (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to such Reference Entity has been determined, and (B) the failure of the Issuer to deliver a notice to the Investors pursuant to this Credit Linked Condition shall not affect the effectiveness of any determinations by the Calculation Agent in

respect of such Successor (such determinations to be in accordance with these Credit Linked Conditions));

- (vi) the selection of any Replacement Reference Entity;
- (vii) if the terms of any Products provide for the Reference Basket to be amended from time to time other due to the determination of a Successor, details of any amendments to the Reference Basket;
- (viii) the designation of any Substitute Reference Obligation (provided that (A) no such notice shall be required following a determination by a Credit Derivatives Determinations Committee that a Substitute Reference Obligation has occurred and (B) the failure of the Issuer to deliver a notice to the Investors pursuant to this Credit Linked Condition 4 (*Notices*) shall not affect the effectiveness of any designation of such Substitute Reference Obligation by the Calculation Agent (such designation to be in accordance with these Credit Linked Conditions));
- (ix) following the selection by the Issuer of an obligation of the Reference Entity constituting a Reference Obligation, a notice specifying the identification details of such selected obligation, provided that the failure of the Issuer to deliver a notice to the Investors pursuant to this Credit Linked Condition 4 (*Notices*) shall not affect the effectiveness of any designation of such Reference Obligation by the Calculation Agent (such designation to be in accordance with these Credit Linked Conditions);
- (x) following the determination of the Liquidation Amount, a notice specifying the Liquidation Amount and the details of its calculation.

(b) ***Effectiveness of Notices***

Any notice required to be delivered by the Issuer to an Agent pursuant to these Credit Linked Conditions or the Issue Terms shall be effective when delivered. The relevant Agent will deliver a copy thereof to Investors if required in accordance with the provisions of General Condition 15 (*Notices*), provided that the failure of the relevant Agent to deliver any such notice shall not affect the effectiveness of any notice delivered by the Issuer.

A notice delivered by the Issuer to the relevant Agent on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. A notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation of such notice will be executed and delivered confirming the substance of such notice within one Business Day of that notice. Failure to provide a written confirmation shall not affect the effectiveness of a notice given by telephone. If a notice is given by email, it will be deemed effective at the date and time it was delivered.

5. **Successor**

(a) ***Provisions for determining a Successor***

- (i) **"Successor"** means, subject to Credit Linked Condition 5(a)(iii) below, the entity or entities, if any, determined as follows:
 - (A) subject to paragraph (G) below, if one entity succeeds, either directly or as a provider of a Relevant Guarantee, to 75 per cent or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor in respect of the relevant Reference Entity;
 - (B) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent (but less than 75 per cent) of the Relevant Obligations of the Reference Entity, and not more than 25 per cent of the

Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent of the Relevant Obligations will be the sole Successor in respect of the relevant Reference Entity;

- (C) if more than one entity each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent of the Relevant Obligations of the Reference Entity, and not more than 25 per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent of the Relevant Obligations will each be a Successor;
 - (D) if one or more entities each succeeds, either directly or as a provider of a Relevant Guarantee, to more than 25 per cent of the Relevant Obligations of the Reference Entity, and more than 25 per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor;
 - (E) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of such succession;
 - (F) if one or more entities succeed, either directly or as a provider of a Relevant Guarantee, to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than 25 per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor);
 - (G) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the "**Universal Successor**") will be the sole Successor in respect of the relevant Reference Entity.
- (ii) The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors; provided that the Calculation Agent will not make such determination if, at the time of such determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations. The Calculation Agent will make all calculations and determinations required to be made under this Credit Linked Condition 5 on the basis of Eligible Information and will notify the Issuer of any such calculation or determination as soon as practicable. In calculating the percentages used to determine whether an entity qualifies as a Successor, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.
 - (iii) An entity may only be a Successor if:
 - (A) either (1) the related Succession Date occurs on or after the Successor Backstop Date, or (2) such entity is a Universal Successor;

- (B) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity;
 - (C) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event; and
 - (D) in respect of Credit Index CLP where the relevant Credit Derivatives Determinations Committee has, in relation to a Successor Resolution Request Date, not identified a Successor in accordance with the DC Rules, the Successor is an entity identified as such by the relevant Credit Index Sponsor.
- (iv) For purposes of this Credit Linked Condition 5(a), "**succeed**" means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (I) assumes or becomes liable for such Relevant Obligations, whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (II) issues Bonds or incurs Loans (the "**Exchange Bonds or Loans**") that are exchanged for Relevant Obligations, and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to such Relevant Obligations or such Exchange Bonds or Loans, as applicable. For purposes of this Credit Linked Condition 5, "**succeeded**" and "**succession**" shall be construed accordingly.
- (v) In the case of an exchange offer, the determination required pursuant to Credit Linked Condition 5(a) shall be made on the basis of the Outstanding Principal Balance of Relevant Obligations exchanged and not on the basis of the Outstanding Principal Balance of the Exchange Bonds or Loans.
- (vi) If two or more entities (each, a "**Joint Potential Successor**") jointly succeed to a Relevant Obligation (the "**Joint Relevant Obligation**") either directly or as a provider of a Relevant Guarantee, then (A) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (B) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.
- (vii) Where, pursuant to Credit Linked Conditions 5(a)(i)(C) or 5(a)(i)(D) one or more Successors have been identified, the following applies:
- (A) the Products shall be deemed to be Basket CLP following the Succession Date;
 - (B) each Successor is, from the relevant Succession Date, a Reference Entity for the purposes of the Products with a Reference Entity Weighting equal to the ratio of the Calculation Amount and the number of Successors as specified in the Successor Notice;
 - (C) in relation to each of these Reference Entities, a Credit Event may occur;
 - (D) with respect to each of these Reference Entities, a Succession may again occur; and
 - (E) the Calculation Agent shall make such other conforming and consequential changes as it shall deem appropriate to give effect to this Credit Linked Condition 5 (*Successor*).
- (viii) "**Relevant Obligations**" means the Obligations of the Reference Entity which fall within the Obligation Category 'Bond or Loan' and which are outstanding immediately

prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (A) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
 - (B) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under Credit Linked Condition 5(a)(i), make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category 'Bond or Loan' that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
 - (C) if 'Financial Reference Entity Terms' and 'Senior Product' are specified as applicable in the related Issue Terms, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category 'Bond or Loan'; and
 - (D) if 'Financial Reference Entity Terms' and 'Subordinated Product' are specified as applicable in the related Issue Terms, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category 'Bond or Loan', provided that if no such Relevant Obligations exist, 'Relevant Obligations' shall have the same meaning as it would if 'Senior Product' were specified as applicable in the related Issue Terms.
- (ix) **"Sovereign Succession Event"** means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.
 - (x) **"Steps Plan"** means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.
 - (xi) **"Succession Date"** means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that, if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (A) the date on which a determination of the Calculation Agent in accordance with the definition of 'Successor' would not be affected by any further related successions in respect of such Steps Plan, or (B) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.
 - (xii) **"Successor Backstop Date"** means, for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date, otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Successor Notice is effective and (B) in circumstances where (1) a Successor Resolution Request Date has occurred, (2) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (3) the Successor Notice is delivered by the Calculation Agent not more than 14 calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.
 - (xiii) **"Successor Resolution Request Date"** means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly

announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

- (xiv) **"Successor Notice"** means an irrevocable notice from the Calculation Agent that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined, and which contains a description in reasonable detail of the facts relevant to the determination to be made pursuant to Credit Linked Condition 5 (*Successor*) and any consequential amendments to the Reference Basket and/or the Credit Linked Products as a result thereof.
 - (xv) **"Eligible Information"** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.
 - (xvi) **"Sovereign"** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.
 - (xvii) **"Standard Reference Obligation"** means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List. If the Standard Reference Obligation is removed from the SRO List, such obligation shall cease to be the Reference Obligation (other than for purposes of the 'Not Subordinated' Obligation Characteristic or 'Not Subordinated' Deliverable Obligation Characteristic) and there shall be no Reference Obligation unless and until such obligation is subsequently replaced on the SRO List, in which case, the new Standard Reference Obligation in respect of the Reference Entity shall constitute the Reference Obligation.
 - (xviii) **"Non-Standard Reference Obligation"**, if any, means the Original Non-Standard Reference Obligation or, if a Substitute Reference Obligation has been determined, the Substitute Reference Obligation.
 - (xix) **"Original Non-Standard Reference Obligation"** means the obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in the related Issue Terms (if any is so specified) provided that if an obligation is not an obligation of the Reference Entity, such obligation will not constitute a valid Original Non-Standard Reference Obligation for purposes of the Credit Linked Products (other than for the purposes of determining the Seniority Level and for the 'Not Subordinated' Obligation Characteristic or 'Not Subordinated' Deliverable Obligation Characteristic) unless otherwise specified in the related Issue Terms.
- (b) ***Substitute Reference Obligation***

"Substitute Reference Obligation" means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that will replace the Non-Standard Reference Obligation, determined as follows:

- (i) The Calculation Agent shall identify the Substitute Reference Obligation in accordance with Credit Linked Conditions 5(b)(iii), 5(b)(iv) and 5(b)(v) below to replace the Non-Standard Reference Obligation, provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution. In the case of a Credit Index CLP, if there is no Standard Reference Obligation and the Credit Index Sponsor publishes a replacement Reference Obligation for such Reference Entity, the Calculation Agent shall select such obligation rather than identify a Substitute

Reference Obligation in accordance with Credit Linked Conditions 5(b)(iii), 5(b)(iv) and 5(b)(v) below.

- (ii) If any of the events set out under Credit Linked Condition 5(c)(i) or 5(c)(iii) have occurred with respect to the Non-Standard Reference Obligation, the Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the 'Not Subordinated' Obligation Characteristic or 'Not Subordinated' Deliverable Obligation Characteristic and Credit Linked Condition 5(b)(iii)(B) below). If the event set out in Credit Linked Condition 5(c)(i)(B) has occurred with respect to the Non-Standard Reference Obligation and no Substitute Reference Obligation is available, the Non-Standard Reference Obligation will continue to be the Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set out under Credit Linked Condition 5(c)(i) or 5(c)(iii) occur with respect to such Non-Standard Reference Obligation.
- (iii) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
 - (A) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (B) satisfies the Not Subordinated Obligation Characteristic as of the date it was issued or incurred (without reflecting any change to the priority of payment after such date) and on the Substitution Date; and
 - (C) is a deliverable Obligation determined by the Calculation Agent in accordance with the market standards for substitute reference obligations pursuant to the ISDA Terms.
- (iv) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in Credit Linked Condition 5(b)(iii), the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer in respect of the relevant Credit Linked Products. The Calculation Agent will notify the Issuer of the Substitute Reference Obligation within a reasonable period after it has been identified in accordance with Credit Linked Condition 5(b)(iii) and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.
- (v) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation, then, subject to Credit Linked Condition 5(b)(i) and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with Credit Linked Condition 5(b)(ii), the Calculation Agent shall continue to attempt to identify the Substitute Reference Obligation.

"Further Subordinated Obligation" means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"ISDA Terms" means the standard terms and conditions are referred to as the "ISDA Credit Derivatives Definitions" and published by ISDA to its members.

"Seniority Level" means, with respect to an obligation of the Reference Entity, (i) 'Senior Level', 'Senior Non-Preferred Level' or 'Subordinated Level' as specified in the Issue Terms, or (ii) if no such seniority level is specified in the Issue Terms, 'Senior Level' if the Original Non-Standard Reference Obligation is a Senior Obligation or 'Subordinated Level' if the Original Non-Standard Reference Obligation is a Subordinated Obligation, (iii) if the Original Non-

Standard Reference Obligation is a Senior Non-Preferred Obligation, 'Senior Non-Preferred Level' failing which (iv) 'Senior Level'.

"**SRO List**" means the list of Standard Reference Obligations as published by IHS Markit on its website at <https://ihsmarkit.com/> from time to time (or any successor website thereto) or by a third party designated by IHS Markit on its website from time to time.

"**Substitution Date**" means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent determines that such Substitute Reference Obligation has been identified in accordance with Credit Linked Condition 5(b).

"**Substitution Event Date**" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

"**Substitute Reference Obligation Resolution Request Date**" means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve a Substitute Reference Obligation to the Non-Standard Reference Obligation, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"**Senior Non-Preferred Obligation**" means any obligation of the Reference Entity which is Subordinated only to any unsubordinated Borrowed Money obligations of the Reference Entity but not further or otherwise, or which would be so Subordinated if any unsubordinated Borrowed Money obligations of the Reference Entity existed, and which ranks above Traditional Subordinated Obligations of the Reference Entity or which would so rank if any Traditional Subordinated Obligations of the Reference Entity existed. A Senior Non-Preferred Obligation shall constitute a Subordinated Obligation for the purposes of this definition.

"**Senior Non-Preferred Products**" means Products in respect of which 'Standard European Senior Non-Preferred Financial Corporate' is specified as applicable in the Issue Terms. Senior Non-Preferred Products shall constitute Subordinated Products for the purposes of this definition.

"**Senior Product**" means a Credit Linked Product for which (i) the Reference Obligation or Prior Reference Obligation, as applicable, is a Senior Obligation, or (ii) there is no Reference Obligation or Prior Reference Obligation.

"**Senior Obligation**" means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

"**Subordinated Product**" means a Credit Linked Product for which the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation.

"**Subordinated Obligation**" means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

(c) **Substitution Event**

(i) "**Substitution Event**" means, with respect to the Non-Standard Reference Obligation:

- (A) the Non-Standard Reference Obligation is redeemed in whole;
- (B) the aggregate amounts due under the original Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD10,000,000 (or its equivalent in the relevant Obligation Currency); or
- (C) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity (either directly or as provider of a guarantee).

- (ii) For purposes of identification of the Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.
 - (iii) If an event described in Credit Linked Condition 5(c)(i)(A) or 5(c)(i)(B) above has occurred on or prior to the Issue Date, then a Substitution Event shall be deemed to have occurred pursuant to Credit Linked Condition 5(c)(i)(A) or 5(c)(i)(B) above, as the case may be, on the Issue Date.
- (d) ***Obligations where the Transaction Type is Standard Emerging European Corporate LPN***

Where a Reference Entity is specified to have a Transaction Type of 'Standard Emerging European Corporate LPN' or where this Credit Linked Condition 5(d) is stated to be applicable in the Issue Terms, the following shall apply:

- (i) 'Multiple Holder Obligation' will be 'Not Applicable' with respect to any Reference Obligation (and any Underlying Loan).
- (ii) Each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, and, in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.
- (iii) Each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, including, but not limited to, the definition thereof, and, in particular, notwithstanding that the obligation is not an obligation of the Reference Entity. For the avoidance of doubt, with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the Outstanding Principal Balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation. The Not Subordinated Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.
- (iv) "**Reference Obligation**" means, as of the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the Issue Terms or set out on the relevant LPN Reference Obligations List (each a "**Markit Published LPN Reference Obligation**"), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/marketing/services.php> (or any successor page thereto), any Additional LPN, determined in accordance with Credit Linked Condition 5(d)(vi). below, and each Additional Obligation. Each Reference Obligation determined in accordance with the foregoing will be a Reference Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity. It is intended that there may be more than one Reference Obligation, as a result of which all applicable references in these Credit Linked Conditions to 'the Reference Obligation' shall be construed as a reference to 'a Reference Obligation', and all other provisions of these Credit Linked Conditions shall be construed accordingly.
- (v) Credit Linked Conditions 5(b) and 5(c) shall not be applicable in respect of LPN Reference Obligations.
- (vi) "**Additional LPN**" means any bond issued in the form of a loan participation note (an "**LPN**") by an entity (the "**LPN Issuer**") for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the "**Underlying Loan**"), or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the "**Underlying Finance Instrument**"); provided that: (I) either (A) in the event that there is an Underlying Loan with respect to such LPN, the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity, or (B) in the event that there is an Underlying Finance Instrument with respect to such LPN, the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; and (II) the LPN Issuer has, as at the issue date of such obligation,

granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs. "**First Ranking LPN Interest**" means a charge, or security interest (or other type of interest having similar effect) (an "**LPN Interest**") which is expressed as being 'first ranking', 'first priority' or similar ("**First Ranking LPN**") in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking LPN under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

- (vii) "**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of these Credit Linked Conditions, each such loan shall be an Underlying Loan.
- (viii) "**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the Issue Terms or set out on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as at the Trade Date, which list is currently available at <http://www.markit.com/marketing/services.php> (or any successor page thereto).

(e) ***Monoline Insurer as Reference Entity***

Where 'Monoline Provisions' is specified to be applicable with respect to any Reference Entity, the following amendments shall be made to the Credit Linked Conditions.

(i) ***Additional Definitions***

"**Qualifying Policy**" means a financial guarantee insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set out below) (the "**Insured Instrument**") for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (1) structured as a surety bond, letter of credit or equivalent legal arrangement or (2) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

"**Instrument Payments**" means (1) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (A) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (B) the ultimate distribution of the Certificate Balance on or prior to a specified date and (2) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (1) and (2), (I) determined without regard to limited recourse or reduction provisions of the type described in Credit Linked Condition 5(e)(iii)(A)(1) below and (II) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"**Certificate Balance**" means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

- (ii) The definition of 'Obligation' is amended by adding 'or Qualifying Policy' after 'or as provider of a Relevant Guarantee'.
- (iii) In the event that an Obligation is a Qualifying Policy, the terms of the definition thereof will apply, with references to the 'Relevant Guarantee', the 'Underlying Obligation' and the 'Underlying Obligor' deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
 - (A) the Obligation Category Borrowed Money and the Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest;
 - (1) references in the definitions of 'Assignable Loan' and 'Consent Required Loan' to the 'guarantor' and 'guaranteeing' shall be deemed to include the insurer and insuring, respectively
 - (2) with respect to a Qualifying Policy and an Insured Instrument, only the Qualifying Policy must satisfy on the relevant date or dates the 'Not Subordinated' Obligation Characteristic, if applicable.
- (iv) References in the definition of 'Outstanding Principal Balance' to a 'Guarantee', the 'Underlying Obligation' and the 'Underlying Obligor' shall be deemed to include a Qualifying Policy, the Insured Instrument and the Insured Obligor respectively. Any provisions of an Insured Instrument limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument shall be disregarded for the purposes of the definition of 'Outstanding Principal Balance', provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.
- (v) "**Deliver**", with respect to an obligation that is a Qualifying Policy, means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and 'Delivery' and 'Delivered' will be construed accordingly.
- (vi) Credit Linked Conditions 5(a)(i), 5(a)(iv) and 5(a)(v) are hereby amended by adding 'or Qualifying Policy' after each occurrence of 'a Relevant Guarantee'. Credit Linked Conditions 5(a)(vi) is hereby amended by adding 'or provider of a Qualifying Policy' after 'as guarantor or guarantors'.
- (vii) The definitions of 'Original Non-Standard Reference Obligation', 'Substitute Reference Obligation' and Credit Linked Condition 5(c) are hereby amended by adding 'or Qualifying Policy' after 'a guarantee'.
- (viii) *Restructuring*

 With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) of the definition of 'Restructuring' is hereby amended to read as follows:
 - (A) a reduction in the rate or amount of the Instrument Payments described in paragraph (1)(A) of the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);
 - (1) a reduction in the amount of the Instrument Payments described in paragraph (1)(B) of the definition thereof that are guaranteed or insured by the Qualifying Policy (including by way of redenomination);

- (2) a postponement or other deferral of a date or dates for either (I) the payment or accrual of the Instrument Payments described in paragraph (1)(A) of the definition thereof or (II) the payment of the Instrument Payments described in paragraph (1)(B) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
 - (3) a change in the ranking in priority of payment of (I) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (II) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, 'Subordination' will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
 - (4) any change in the currency of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).
- (ix) Paragraph (v) of the definition of 'Restructuring' shall be amended by adding 'or, in the case of Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy' at the end thereof.
 - (x) For purposes of the definition of 'Restructuring', the term 'Obligation' shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the 'Reference Entity' in the first paragraph of the definition shall be deemed to refer to the Insured Obligor and the reference to the 'Reference Entity' in the second paragraph thereof shall continue to refer to the Reference Entity.
 - (xi) For purposes of the definitions of 'Prohibited Action', 'Credit Event' and 'Deliver', references to the 'Underlying Obligation' and the 'Underlying Obligor' shall be deemed to include Insured Instruments and the Insured Obligor, respectively. Any transfer or similar fee reasonably incurred by the Issuer in connection with the Delivery of a Qualifying Policy and payable to the Reference Entity shall be part of the Settlement Expenses.

6. **Additional Provisions for CoCo CLP**

"CoCo CLP" means a Credit Linked Product where the timing and/or amount of payments of interest and/or principal is determined with reference to an Obligation which contains a CoCo Provision, if specified as applicable in the Issue Terms.

"CoCo Provision" means, with respect to an Obligation, a provision which requires (1) a permanent or temporary reduction of the amount of principal payable at redemption or (2) a conversion of principal into shares or another instrument, in each case, at or below the Trigger Percentage of the Capital Ratio.

A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes under the Credit Linked Conditions.

If the operation of a CoCo Provision results in (i) a permanent or temporary reduction of the amount of principal payable at redemption or (ii) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention.

"Trigger Percentage" means the trigger percentage specified in the related Issue Terms (or if no such trigger percentage is specified, seven per cent. (7%)).

"Capital Ratio" means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

7. **Additional Disruption Events**

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer and/or Calculation Agent may:

- (a) make such adjustment(s) to the Conditions as the Calculation Agent determines appropriate to account for the economic effect on the Products of such Additional Disruption Event. Upon making any such adjustment, the Issuer and/or Calculation Agent shall give notice to the Investors in accordance with General Condition 15 (*Notices*), stating the relevant adjustment and giving brief details of the relevant event in respect of which such adjustment was made, provided that any failure to give such notice shall not affect the validity of the relevant event or any action taken; or
- (b) if the Calculation Agent determines that no adjustment as described in (a) above would be possible or would achieve a commercially reasonable result, determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

8. **Definitions and Interpretations applicable to Credit Linked Products**

- (a) Certain general definitions relating to Credit Linked Products

"Accrued Interest" means with respect to a Series for which:

- (i) 'Include Accrued Interest' is specified as applicable in the related Issue Terms, the Outstanding Principal Balance of the Reference Obligation shall include accrued but unpaid interest;
- (ii) 'Exclude Accrued Interest' is specified as applicable in the related Issue Terms, the Outstanding Principal Balance of the Reference Obligation shall not include accrued but unpaid interest; or
- (iii) neither 'Include Accrued Interest' nor 'Exclude Accrued Interest' is specified as applicable in the related Issue Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Reference Obligation whether the Outstanding Principal Balance of the Reference Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof.

"Additional Disruption Event" means each of a Change in Law, Hedging Disruption, Increased Cost of Hedging, and/or Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation, in each case, if specified to be 'Applicable' in the Issue Terms.

"Affected Reference Entity" means each entity in respect of which a Relevant Determination Date has occurred.

"Calculation Agent City" means the city specified as such in the Issue Terms or, if a city is not so specified:

- (i) in respect of a Reference Entity the Transaction Type of which is North American Corporate, Standard North American Corporate, Latin America Corporate B, Standard Latin America Corporate B, Latin America Corporate BL, Standard Latin America Corporate BL, Latin America Sovereign or Standard Latin America Sovereign, New York;
- (ii) in respect of a Reference Entity the Transaction Type of which is Australia Corporate, New Zealand Corporate, Singapore Corporate, Asia Corporate, Asia Sovereign, Australia Sovereign, New Zealand Sovereign, Singapore Sovereign, Standard Australian Financial Corporate, Standard New Zealand Financial Corporate, Standard Singapore Financial Corporate, Standard Asia Financial Corporate, Standard Asia Sovereign, Standard Australia Sovereign, Standard New Zealand Sovereign, or Standard Singapore Sovereign, London;
- (iii) in respect of a Reference Entity the Transaction Type of which is Japan Corporate, Japan Sovereign, Standard Japan Financial Corporate or Standard Japan Sovereign, Tokyo; and
- (iv) in respect of any other Reference Entity, London.

"Calculation Agent City Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City.

"Change in Law" means that on or after the Issue Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (A) it has become illegal to hold, acquire or dispose of direct or indirect participations in Reference Obligations of the relevant Reference Entities or credit derivatives in relation to such Reference Entity and/or Reference Obligations, or (B) 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).

"Credit Derivatives Determinations Committee" means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with swap transactions that incorporate the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association Inc (and as supplemented or amended from time to time).

"Credit Event Backstop Date" means (i) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition thereof) as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date, or (ii) otherwise, the date that is 60 calendar days prior to the earlier of (A) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period or, where there is a Products Extension Date, on or prior to the Products Extension Date and (B) the Credit Event Resolution Request Date, if the Credit Event Resolution Request Date occurs on or prior to the Products Extension Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Credit Event Notice" means an irrevocable notice from the Issuer (which may be in writing (including by facsimile and/or email) and/or by telephone) to the relevant Agent that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred, unless provided pursuant to the publication of a DC Credit Event Announcement. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"Credit Event Resolution Request Date" means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary that the relevant Credit Derivatives

Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

"Credit Index" means, in respect of Credit Index CLP, the relevant "Credit Index" as specified in the relevant Issue Terms.

"Credit Index Annex" means, in respect of Credit Index CLP, portfolio of Reference Entities and related terms comprising the relevant Credit Index with the relevant Credit Index Annex Date published by the Credit Index Publisher specified in the relevant Issue Terms and which can be accessed at the web address specified in the relevant Issue Terms (if applicable) or any successor website thereto. The Credit Index Annex will be deemed amended from time to time to reflect any modifications resulting from Credit Linked Condition 5 (*Successor*), and the definitions of Reference Entity, Reference Obligation, Standard Reference Obligation, Substitute Reference Obligation and Successor as set out in Credit Linked Products 8 (*Definitions and Interpretations applicable to Credit Linked Products*) shall be construed accordingly, provided that any related determinations of a relevant Index Sponsor shall be binding on the Issuer, Calculation Agent and Investors if and to the extent that the Calculation Agent determines that such determination would be binding on the parties to an over-the-counter credit default swap on market standard terms referencing the relevant Index.

"Credit Index Annex Date" means, in respect of Credit Index CLP, the date specified as such in the relevant Issue Terms.

"Credit Index Publisher" means, in respect of Index CLP and the related Credit Index Annex, the entity specified as such in the relevant Issue Terms or, following the Issue Date of the relevant Series of Credit Index CLP any replacement appointed by the Credit Index Sponsor for purposes of officially publishing the relevant Credit Index.

"Credit Index Sponsor" means, in respect of Credit Index CLP, the entity specified as such in the relevant Issue Terms.

"DC Credit Event Announcement" means, with respect to any Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date, provided that if the Credit Event occurred after the Scheduled Redemption Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

"DC Credit Event Meeting Announcement" means, with respect to the Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

"DC Credit Event Question Dismissal" means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

"DC Credit Event Question" means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event has occurred.

"DC No Credit Event Announcement" means, with respect to any Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event.

"DC Party" has the meaning given to that term in the DC Rules.

"DC Resolution" means a resolution made by a relevant Credit Derivatives Determinations Committee or, if the context requires, the meaning given to that term in the DC Rules.

"DC Rules" means the Credit Derivatives Determinations Committees Rules, as made available on the website of the Credit Derivatives Determinations Committees at <https://www.cdsdeterminationscommittees.org/> (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

"DC Secretary" has the meaning given to that term in the DC Rules.

"Event Determination Date" means, in respect of any Reference Entity: the Notice Delivery Date, provided that the Notice Delivery Date occurs during either the Notice Delivery Period or at any point thereafter on or prior to the Products Extension Date.

No Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Scheduled Redemption Date or Deferred Redemption Date, as applicable, a DC No Credit Event Announcement Date occurs (including without limitation prior to the Notice Delivery Date) with respect to the relevant Reference Entity or Obligation thereof and the Credit Event specified in the Credit Event Notice.

If a DC Credit Event Announcement occurs, the Issuer may elect (by notice in the Credit Event Notice) that the Event Determination Date be the later of the Issue Date and the Credit Event Resolution Request Date.

If, in accordance with the provisions above, (i) following the determination of an Event Determination Date, such Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or (B) not to have occurred or (ii) an Event Determination Date is deemed to have occurred prior to a preceding Coupon Payment Date, the Calculation Agent will determine (I) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amounts previously calculated and/or paid in respect of the Credit Linked Products and (II) the date on which such adjustment payment is payable, if any. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

"Extension Date" means, in respect of any Reference Entity, the latest of (i) the Scheduled Redemption Date, (ii) the Grace Period Extension Date if (A) 'Failure to Pay' and 'Grace Period Extension' are specified as applicable in the related Issue Terms and (B) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Redemption Date and (C) the Repudiation/Moratorium Evaluation Date (if any) if 'Repudiation/Moratorium' is specified as applicable in the related Issue Terms, as applicable.

"Final List" has the meaning given to that term in the DC Rules.

"Grace Period" means:

- (i) subject to paragraphs (ii) and (iii) below, the applicable grace period with respect to payments under and in accordance with the relevant Obligation under the terms of such Obligation in effect as at the date as at which such Obligation is issued or incurred;
- (ii) if 'Grace Period Extension' is specified as applicable in the Issue Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Redemption Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Redemption Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Issue Terms or, if no period is specified, 30 calendar days; and
- (iii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless 'Grace Period Extension' is specified as applicable in the Issue

Terms, such deemed Grace Period shall expire no later than the Scheduled Redemption Date.

"Grace Period Extension Date" means, if (i) 'Grace Period Extension' is specified as applicable in the Issue Terms and (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Redemption Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If 'Grace Period Extension' is not specified as applicable in the Issue Terms, Grace Period Extension shall not apply.

"Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and, if a place or places are not so specified, (i) if the Obligation Currency is the euro, a TARGET Business Day, or (ii) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

"Hedging Disruption" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Calculation Agent deems necessary to hedge the risk of entering into and performing the Issuer's obligations arising from the Products, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation" means that if the Calculation Agent determines that, as of the relevant time on the relevant date, the majority of the first eight 'Eligible Global Dealers' on the 'Global Dealer Trading Volume List' as determined for the most recent 'List Review Date' (in each case, as defined in the DC Rules) as at the relevant time sign up to a credit default swap industry-wide protocol or similar agreement to document credit default swaps by way of documentation differing from the prevailing market standard credit default swap documentation existing as of the Trade Date in respect of a Series of Products, the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) and/or materially increased (as compared with circumstances existing on the Trade Date) costs related to that Series of Products, including without limitation internal charges of the Issuer and/or any of its Affiliates in terms of potentially increasing its risk asset weighting and/or worsening any other leverage ratio treatment or any other such capital measure to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the relevant Series of Products, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Interest Expiration Date" means the earlier to occur of the day prior to (i) the Scheduled Redemption Date and (ii) if 'Credit Event Accrued Interest' is specified as not applicable in the Issue Terms, the Coupon Payment Date (or Issue Date where no Coupon Payment Date has occurred) occurring on or immediately preceding the Relevant Event Determination Date or (iii) otherwise, the Relevant Event Determination Date.

"Notice Delivery Date" means the first date on which both an effective Credit Event Notice and, unless 'Notice of Publicly Available Information' is specified as not applicable in the Issue Terms, an effective Notice of Publicly Available Information, have been delivered by the Issuer.

"Notice Delivery Period" means, in respect of any Reference Entity, the period from and including the Trade Date to and including the day that is 25 calendar days after the Extension Date.

"Notice of Publicly Available Information" means an irrevocable notice from the Issuer delivering the relevant Credit Event Notice or Repudiation/Moratorium Extension Notice that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If 'Notice of Publicly Available Information' is applicable to a Series and a Credit Event Notice or

Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

"Permitted Contingency" means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (i) as a result of the application of:
 - (A) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
 - (B) provisions implementing the Subordination of the obligation;
 - (C) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee); or
 - (D) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if 'Financial Reference Entity Terms' is specified as applicable in the related Issue Terms; or
- (ii) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

"Post Dismissal Additional Period" means the period from and including the date of the DC Credit Event Question Dismissal to and including a day that is three Business Days following the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

"Potential Failure to Pay" means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

"Prohibited Action" means any counterclaim, defence (other than a counterclaim or defence based on the factors set out in paragraphs (i) to (iv) of the definition of 'Credit Event') or right of setoff by or of the Reference Entity or any applicable Underlying Obligor.

"Public Source" means each source of Publicly Available Information specified as such in the Issue Terms (or, if no such source is specified in the Issue Terms, each of Bloomberg, Refinitiv, Dow Jones Newswires, The Wall Street Journal, The New York Times (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

"Publicly Available Information" means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:

- (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information;
- (ii) is information received from or published by (A) a Reference Entity (or for a Reference Entity which is a Sovereign any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (B) a trustee, fiscal agent,

administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

- (iii) is information contained in any order, decree, notice, petition or filing, howsoever described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraph (ii) or (iii) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of any type described in paragraph (ii) or (iii) above, the relevant Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the person receiving such information.

Publicly Available Information need not state (i) in relation to the definition of 'Downstream Affiliate', the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that the relevant occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period or (C) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in both paragraphs (i) and (ii) of the definition of 'Repudiation/Moratorium'.

"Relevant City Business Day" means has the meaning given to it in the DC Rules.

"Relevant Credit Event" means:

- (i) in the case of a Single Name CLP, the Credit Event in relation to the first Event Determination Date to occur with respect to the Reference Entity;
- (ii) in the case of a Basket CLP or a Credit Index CLP and any particular Reference Entity, the Credit Event in relation to the first Event Determination Date to occur with respect to such Reference Entity.

"Relevant Event Determination Date" means the Event Determination Date occurring with respect to a Relevant Credit Event.

"Resolve" has the meaning given to that term in the DC Rules, and "Resolved" and "Resolves" shall be interpreted accordingly.

"Specified Number" means, unless otherwise specified in the Issue Terms, two.

"Swap Costs" means an amount determined by the Calculation Agent equal to any loss or costs incurred (or expected to be incurred) by or on behalf of the Issuer as a result of its terminating, liquidating, obtaining or re-establishing any hedge, term deposits, related trading position or funding arrangements entered into by it (including with its internal treasury function) in connection with the Products.

"Trade Date" means the date specified as such in the relevant Issue Terms or, if none is so specified, the Issue Date.

- (b) **Reference Entities, Obligations, Guarantees**

"Excluded Obligation" means:

- (i) any obligation of the Reference Entity specified as such or of a type described in the Issue Terms;
- (ii) if 'Financial Reference Entity Terms' and 'Senior Product' are specified as applicable in the Issue Terms, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (iii) if 'Financial Reference Entity Terms' and 'Subordinated Product' are specified as applicable in the Issue Terms, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

"Obligation" means:

- (i) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in 'Method for determining Obligations' under Credit Linked Conditions 8(c) below; and
- (ii) the Reference Obligation,

in each case, unless it is an Excluded Obligation.

The **"Outstanding Principal Balance"** of an obligation will be calculated as follows:

- (i) first, by determining, in respect of the obligation, the amount of the relevant Reference Entity's principal payment obligations and, where applicable in accordance with the definition of Accrued Interest, the relevant Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (A) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the relevant Reference Entity were references to the Underlying Obligor) and (B) the amount of the Fixed Cap, if any);
- (ii) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (A) is subject to any Prohibited Action, or (B) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (1) payment or (2) a Permitted Contingency) (the amount determined in sub-paragraph (i) above of the definition of **'Outstanding Principal Balance'** less any amounts subtracted in accordance with this sub-paragraph (ii), the **"Non-Contingent Amount"**); and
- (iii) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (A) unless otherwise specified, in accordance with the terms of the obligation in effect on the relevant date of determination of the Outstanding Principal Balance; and
- (B) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purpose of this definition of 'Outstanding Principal Balance':

- (i) where 'Fallback Discounting' applies as set out below, "applicable laws" shall include any bankruptcy or insolvency law or other law affecting creditors' rights to which the relevant obligation is, or may become, subject;
- (ii) **"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against the relevant Reference Entity in respect of the Non-Contingent

Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount; and

- (iii) if "**Fallback Discounting**" is specified as applicable in the Issue Terms or is applicable pursuant to the terms of the applicable Transaction Type specified in respect of a Reference Entity in the Issue Terms, then notwithstanding the above, if (x) the Outstanding Principal Balance of an obligation is not reduced or discounted under subparagraph (iii)(B) above, (y) that obligation is either a Bond that has an issue price less than 95 per cent. of the principal redemption amount or a Loan where the amount advanced is less than 95 per cent. of the principal repayment amount and, (z) such Bond or Loan does not include provisions relating to the accretion over time of the amount which would be payable on an early redemption or repayment of such Bond or Loan that are customary for the applicable type of Bond or Loan as the case may be, then the Outstanding Principal Balance of such Bond or Loan shall be the lesser of (I) the Non-Contingent Amount; and (II) an amount determined by straight line interpolation between the issue price of the Bond or the amount advanced under the Loan and the principal redemption amount or principal repayment amount, as applicable.

For the purposes of determining whether the issue price of a Bond or the amount advanced under a Loan is less than 95 per cent. of the principal redemption amount or principal repayment amount (as applicable) or, where applicable, for applying straight line interpolation:

- (iv) where such Bond or Loan was issued as a result of an exchange offer, the issue price or amount advanced of the new Bond or Loan resulting from the exchange shall be deemed to be equal to the aggregate Outstanding Principal Balance of the original obligation(s) that were tendered or exchanged (the "**Original Obligation(s)**") at the time of such exchange (determined without regard to market or trading value of the Original Obligation(s)); and
- (v) in the case of a Bond or Loan that is fungible with a prior debt obligation previously issued by the relevant Reference Entity, such Bond or Loan shall be treated as having the same issue price or amount advanced as the prior debt obligation.

In circumstances where a holder would have received more than one obligation in exchange for the Original Obligation(s), the Calculation Agent will determine the allocation of the aggregate Outstanding Principal Balance of the Original Obligation(s) amongst each of the resulting obligations for the purpose of determining the issue price or amount advanced of the relevant Bond or Loan. Such allocation will take into account the interest rate, maturity, level of subordination and other terms of the obligations that resulted from the exchange and shall be made by the Calculation Agent in accordance with the methodology (if any) determined by the relevant Credit Derivatives Determinations Committee.

"**Reference Basket**" means the Reference Entity and Reference Obligation or the portfolio of Reference Entities and Reference Obligations, as the case may be, specified in the Issue Terms or in the Credit Index Annex, as applicable, as the same may be amended from time to time in accordance with the provisions of the Credit Linked Conditions and the Issue Terms.

"**Reference Entity**" means, subject to the provisions of the Credit Linked Condition 5 (*Successor*), in respect of Single Name CLP and Basket CLP (excluding Credit Index CLP) each entity specified as such in the relevant Issue Terms and in respect of Credit Index CLP, each entity specified as such in the relevant Credit Index Annex. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to Credit Linked Condition 5(a) on or following the Trade Date, or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity for the relevant Series or a New Products (as determined pursuant to such Credit Linked Condition 5(a)).

"**Reference Entity Notional Amount**" means, in respect of a Reference Entity, the amount specified in the Issue Terms, in each case subject to adjustment in accordance with the Credit

Linked Condition 5 (*Successor*); if no such amount is specified in the Issue Terms, the Reference Entity Notional Amount for each Reference Entity on any day shall be the aggregate Calculation Amount of Products outstanding on such day, divided by the number of Reference Entities in the Reference Basket on such day.

"Reference Entity Weighting" means, in respect of (i) Basket CLP (excluding Credit Index CLP) and a Reference Entity in a Reference Basket, the percentage weighting specified for such Reference Entity in the relevant Issue Terms or (ii) Credit Index CLP and a Reference Entity specified in the Credit Index Annex, the percentage weighting specified for such Reference Entity in the Credit Index Annex, or, in each case if no Reference Entity Weighting is specified for such Reference Entity, an amount (expressed as a percentage) equal to the Reference Entity Notional Amount of the Reference Entity to which the Relevant Credit Event relates, divided by the aggregate Calculation Amount of the Credit Linked Products in each case as at the Issue Date.

"Reference Obligation" means, in respect of a Reference Entity and subject to the Issue Terms, the Standard Reference Obligation, described in the Issue Terms (if any are so specified or described) and any Substitute Reference Obligation identified in accordance with Credit Linked Condition 5(b), unless:

- (i) 'Standard Reference Obligation' is specified as not applicable in the related Issue Terms, in which case the Reference Obligation will be the Non-Standard Reference Obligation, if any;
- (ii) If 'Standard Reference Obligation' is specified as not applicable in the related Issue Terms and 'Standard European Senior Non-Preferred Financial Corporate' is the applicable Transaction Type, then the Reference Obligation will be the Non-Standard Reference Obligation, if any, provided that, irrespective of any Original Non-Standard Reference Obligation specified in the related Confirmation, if (1) a Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List, such Standard Reference Obligation shall be deemed to constitute the Reference Obligation, or (2) no such Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity is specified on the SRO List but such Standard Reference Obligation has previously been specified on the SRO List, there shall be deemed to be no Reference Obligation applicable to the Products and such previously specified Senior Non-Preferred Level Standard Reference Obligation of the Reference Entity shall be deemed to constitute the Prior Reference Obligation;
- (iii) 'Standard Reference Obligation' is specified as applicable in the related Issue Terms (or no election is specified in the related Issue Terms), (1) there is no Standard Reference Obligation and (2) a Non-Standard Reference Obligation is specified in the related Issue Terms, in which case the Reference Obligation will be (x) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (y) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation;
- (iv) in respect of Credit Index CLP, the Reference Obligation as specified in the Credit Index Annex.

(c) ***Method for determining Obligations***

For purposes of this Credit Linked Condition 8(c), the term "**Obligation**" means each obligation of each Reference Entity described by the Obligation Category specified in the Issue Terms and having each of the Obligation Characteristics, if any, specified in the Issue Terms, in each case immediately prior to the Credit Event which is the subject of either the Credit Event Notice or the DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable.

The following terms shall have the following meanings:

"Bond or Loan" means any obligation that is either a Bond or a Loan.

"Bond" means any obligation of a type included in the 'Borrowed Money' Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

"Borrowed Money" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

"CLP Specified Currency" means an obligation that is payable in the currency or currencies specified as such in the Issue Terms (or, if 'CLP Specified Currency' is specified in the Issue Terms and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, 'Specified Currency' shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority.

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

"Loan" means any obligation of a type included in the 'Borrowed Money' Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

"Not Domestic Currency" means any obligation that is payable in any currency other than the Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency.

"Not Domestic Issuance" means any obligation other than an obligation that was issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued, as the case may be), or intended to be offered for sale primarily in the domestic market of the Reference Entity.

"Not Domestic Law" means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute a Domestic Law.

"Not Sovereign Lender" means any obligation that is not primarily owed to (i) a Sovereign or (ii) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as 'Paris Club debt'.

"Not Subordinated" means an obligation that is not Subordinated to (i) the Reference Obligation or (ii) the Prior Reference Obligation, if applicable.

"Obligation Category" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, as specified in the Issue Terms provided that only one of which shall be specified in the Issue Terms.

"Obligation Characteristics" means any one or more of Not Subordinated, CLP Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, as specified in the Issue Terms.

"Payment" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

"Prior Reference Obligation" means, in circumstances where there is no Reference Obligation applicable to the relevant Series, (i) the Reference Obligation most recently applicable thereto, if any, and otherwise, (ii) the obligation specified in the Issue Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (iii) any unsubordinated Borrowed Money obligation of the Reference Entity.

"Reference Obligations Only" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

(d) ***Provisions regarding Subordination***

- (i) **"Subordination"** means, with respect to an obligation (the **"Second Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"First Obligation"**, a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation, or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **"Subordinated"** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (x) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (y) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and 'Standard Reference Obligation' is specified as applicable in the related Issue Terms, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date.
- (ii) If 'Standard European Senior Non-Preferred Financial Corporate' is specified as applicable in the Issue Terms, paragraph (i) above shall be applied in the assessment of any Obligation without regard to how the Obligation is described by the laws of any relevant jurisdiction, including any characterisation of the Obligation as senior or unsubordinated by the laws of any relevant jurisdiction.

"Tier 2 Subordinated Obligation" means any obligation of the Reference Entity which meets the conditions set out in Article 63 of the Regulation 575/2013 of the European Parliament and of the Council of 26 June 2013, as such Article may be amended or replaced from time to time (the **"CRR"**) or which are (or were at any time) otherwise eligible as a Tier 2 item in accordance with the CRR.

"Traditional Subordinated Obligation" means: (i) Tier 2 Subordinated Obligations of the Reference Entity; (ii) any obligations of the Reference Entity which rank or are expressed to rank *pari passu* with any Tier 2 Subordinated Obligations of the Reference Entity; and (iii) any obligations of the Reference Entity which are Subordinated to the obligations thereto described in (i) and (ii) above shall each (without limitation) constitute Traditional Subordinated Obligations in respect of a Senior Non-Preferred Obligation. A Traditional Subordinated Obligation shall constitute a Further Subordinated Obligation for the purposes of the definition of 'Further Subordinated Obligation' in Credit Linked Condition 5(b).

(e) ***Interpretation of provisions***

If either of the Obligation Characteristics 'Listed' or 'Not Domestic Issuance' is specified in the Issue Terms, the Issue Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.

(f) ***Provisions relating to Relevant Guarantees***

If an Obligation is a Relevant Guarantee, the following will apply:

For purposes of the application of the Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.

For purposes of the application of the Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in the Issue Terms from the following list: 'Not Subordinated', 'CLP Specified Currency', 'Not Sovereign Lender', 'Not Domestic Currency' and 'Not Domestic Law'.

For purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics, if any, specified in the Issue Terms from the following list: 'Listed' and 'Not Domestic Issuance'.

For purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

The following terms shall have the following meanings:

"Domestic Currency" means the currency specified as such in the Issue Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of:

- (i) the Reference Entity, if the Reference Entity is a Sovereign; or
- (ii) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign.

"Domestic Law" means each of the laws of (i) the Reference Entity, if such Reference Entity is a Sovereign, or (ii) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

"Downstream Affiliate" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent owned, directly or indirectly, by the Reference Entity.

"Fixed Cap" means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

"Guarantee" means a Relevant Guarantee or a guarantee which is the Reference Obligation.

"Permitted Transfer" means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

"Qualifying Guarantee" means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (i) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (ii) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than:
 - (A) by payment;
 - (B) by way of Permitted Transfer;
 - (C) by operation of law;
 - (D) due to the existence of a Fixed Cap; or
 - (E) due to:
 - (1) provisions permitting or anticipating a Governmental Intervention, if 'Financial Reference Entity Terms' is specified as applicable in the Issue Terms; or
 - (2) any Solvency Capital Provisions, if 'Subordinated European Insurance Terms' is specified as applicable in the Issue Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (I) a non-payment in respect of the guarantee or the Underlying Obligation, or (II) an event of the type described in the definition of 'Bankruptcy' in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee:

- (i) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and
- (ii) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

"Relevant Guarantee" means a Qualifying Affiliate Guarantee or, if 'All Guarantees' is specified as applicable in the related Issue Terms, a Qualifying Guarantee.

"Solvency Capital Provisions" means any terms in an obligation which permit the Reference Entity's payment obligations thereunder to be deferred, suspended, cancelled, converted,

reduced or otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

"Underlying Obligation" means, with respect to a guarantee, the obligation which is the subject of the guarantee.

"Underlying Obligor" means, with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

"Voting Shares" means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

(g) ***Further provisions relating to Obligation Characteristics***

If 'Financial Reference Entity Terms' and 'Governmental Intervention' are specified as applicable in the Issue Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic.

(h) ***Credit Events***

"Bankruptcy" means that the Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally or such a general assignment, arrangement, scheme or composition becomes effective;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession,

or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or

- (viii) 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 (i) to (vii) above.

"Credit Event" means the occurrence of one or more of the Credit Events specified in the Issue Terms, which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring, or Governmental Intervention.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (i) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, howsoever described;
- (iii) any applicable law, order, regulation, decree or notice, howsoever described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, howsoever described; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, howsoever described.

Any event occurring at midnight shall be deemed to occur immediately prior to midnight Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity relates to Japan, Tokyo Time).

"Default Requirement" means the amount specified as such in the Issue Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified or if "As per the Credit Linked Annex" is specified in the Issue Terms, USD 10,000,000 or its equivalent in the relevant Obligation Currency) in either case, as of the occurrence of the relevant Credit Event.

"Failure to Pay" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the relevant Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure. If a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

If **"Credit Deterioration Requirement"** is specified as applicable in the relevant Issue Terms or is applicable pursuant to the terms of the applicable Transaction Type specified in respect of a Reference Entity in the Issue Terms, then notwithstanding the foregoing, it shall not constitute a Failure to Pay if such failure does not directly or indirectly result either from, or result in, a deterioration in the creditworthiness or financial condition of the relevant Reference Entity. In such case, any determination as to whether a "Failure to Pay" has occurred is to be made by the Issuer, for which purposes, the Issuer may take into account any guidance provided by ISDA.

"Governmental Intervention" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of

the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (i) any event which would affect creditors' rights so as to cause:
 - (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (B) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (C) a postponement or other deferral of a date or dates for either (I) the payment or accrual of interest, or (II) the payment of principal or premium; or
 - (D) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in sub-paragraphs (i) to (iii) above.

For purposes of the above, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

"Obligation Acceleration" means that one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

"Obligation Currency" means the currency or currencies in which an Obligation is denominated.

"Obligation Default" means that one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (howsoever described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

If an occurrence that would constitute a Failure to Pay (A) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

"Payment Requirement" means the amount specified as such in the Issue Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified or if "As per the Credit Linked Annex" is specified in the Issue Terms, USD 1,000,000 or its equivalent in the relevant Obligation Currency), in either case as at the occurrence of the Relevant Credit Event.

"Repudiation/Moratorium" means the occurrence of both of the following events:

- (i) an authorised officer of the Reference Entity or a Governmental Authority
 - (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or
- (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
 - (A) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date. For the purposes of this definition:

"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Redemption Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (I) the date that is 60 calendar days after the date of such Potential Repudiation/Moratorium and (II) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 calendar days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Redemption Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"Potential Repudiation/Moratorium" means the occurrence of an event described in paragraph (a) of the definition of 'Repudiation/Moratorium'.

The **"Repudiation/Moratorium Extension Condition"** is satisfied (i) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 14 calendar days after the Redemption Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Redemption Date, or (ii) otherwise, by the delivery by the Issuer of a Repudiation/Moratorium Extension Notice and, unless 'Notice of Publicly Available Information' is specified as not applicable in the related Issue Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is 14 calendar days after the Redemption Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity, or (B) an event that constitutes a Potential Repudiation/Moratorium for purposes of the relevant Series has occurred with respect to an Obligation of the Reference Entity but that such event occurred after the Redemption Date.

"Repudiation/Moratorium Extension Notice" means an irrevocable notice from the Issuer to the relevant Agent that describes a Potential Repudiation/Moratorium that occurred on or prior to the Redemption Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

"Restructuring" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the

Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above, none of the following shall constitute a Restructuring:

- (A) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (B) the redenomination from euros into another currency, if (1) the redenomination occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority and (2) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (C) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or
- (D) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of sub-paragraph (v) above only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a member state of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For purposes of this definition and the definition of 'Multiple Holder Obligation', the term 'Obligation' shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in this definition shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in this definition shall continue to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (i) to (v) above has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

Unless 'Multiple Holder Obligation' is expressed to be not applicable in the Issue Terms, then none of the events described above shall constitute a Restructuring unless the Obligation is a Multiple Holder Obligation, where "Multiple Holder Obligation" means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event, is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to 66 and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event (provided that part (b) shall be deemed to be satisfied where the Obligation is a Bond).

(i) ***General terms relating to Redemption and Settlement***

"Deferred Redemption Date" means, if an Extension Notice is effective and no Event Determination Date occurs on or prior to the Products Extension Date, the date falling five Business Days after the Products Extension Date or, if an Extension Notice is effective and an Event Determination Date occurs on or prior to the Products Extension Date, the Credit Event Redemption Date.

"Extended Interest Period" means the period, if any, from and including the Scheduled Redemption Date to but excluding the Deferred Redemption Date.

"Extension Notice" means an irrevocable notice (which may be by telephone) from the Issuer to the relevant Agent which is effective on or prior to the Scheduled Redemption Date that specifies one or more Reference Entities which the Issuer determines, in its discretion, are or may be subject to a Credit Event, a Potential Failure to Pay or a Potential Repudiation/Moratorium.

"Products Extension Date" means the latest to occur of (i) the last applicable day specified in the definition of 'Notice Delivery Period' in respect of each Reference Entity specified in an Extension Notice and (ii) either (A) 14 calendar days after the date on which a 'DC Credit Event Announcement' occurs or (B) the date on which a 'DC No Credit Event Announcement' occurs or (C) if applicable, the expiry of the Post Dismissal Additional Period.

"Relevant Event Determination Date" means the Event Determination Date occurring with respect to a Relevant Credit Event.

(j) ***Timing***

(i) ***Time Zones***

In order to determine the day on which an event occurs for purposes of these Credit Linked Conditions, the demarcation of days shall be made by reference to Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.

(ii) ***Payment Timing***

Notwithstanding the definition of Credit Event Notice and the paragraph above (Time Zones), if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or, if the Transaction Type of the Reference Entity relates to Japan, Tokyo time), irrespective of the time zone of its place of payment.

(iii) *Settlement Suspension and Effect of DC Resolutions*

If, following the determination of an Event Determination Date in accordance with the definition thereof but prior to the determination if the Liquidation Amount, there is a DC Credit Event Meeting Announcement, all timing requirements in the Credit Linked Payout Provisions and Credit Linked Conditions that pertain to settlement shall toll and remain suspended until the date of the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal. During such suspension period, the Issuer is not obliged to take any action in connection with the settlement of such Credit Event or the redemption, if any, of the Credit Linked Products. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal, as applicable, has occurred, the relevant timing requirements that pertain to settlement that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary, with the Issuer having the benefit of the full day, notwithstanding when the tolling or suspension began.

Any DC Resolution of the relevant Credit Derivatives Determinations Committee that is applicable to a Series, including a DC Resolution that reverses a previous DC Resolution, shall be binding on the Issuer and Investors of such Series:

(A) provided that:

- (1) if the effect of a DC Resolution would be to reverse (I) a prior DC Resolution of the relevant Credit Derivatives Determinations Committee, (II) any determination made by the Calculation Agent that is effectively notified to the Issuer prior to the fifth Business Day which immediately precedes the Successor Resolution Request Date or a Substitute Reference Obligation Resolution Request Date, as applicable, or (III) the occurrence of an Event Determination Date, that, in any case, has resulted in:

- (a) the identification of one or more Successors;
- (b) the identification of a Substitute Reference Obligation; or
- (c) the occurrence of or prior to the date that the DC Secretary publicly announces such DC Resolution of the relevant Credit Derivatives Determinations Committee,

then such DC Resolution shall not be effective for purposes of any Series; and

- (2) if the terms of such Series seek to amend or override the agreement contained in this Credit Linked Condition by expressly referring in writing to this Credit Linked Condition and which would otherwise be effective in accordance with the terms of such Series, then any DC Resolution shall not be effective for purposes of such Series; and

(B) notwithstanding:

- (1) that the Credit Linked Conditions, as supplemented, or any provisions incorporated in the Issue Terms, may require such determination to be made by the Calculation Agent;
- (2) that in order to reach such DC Resolution, the relevant Credit Derivatives Determinations Committee may be required to Resolve one or more factual matters before being able to reach such DC Resolution; and
- (3) any actual or perceived conflict of interest on the part of a DC Party, legal counsel or other third-party professional hired by such DC Party

in connection with such DC Party's performance of its duties under the DC Rules.

SHARE LINKED CONDITIONS

The provisions of these Share Linked Conditions shall apply to Share Linked Products in respect of each Underlying which is a Share.

1. ***Consequences of Disrupted Days***

1.1 **Single Share and Underlying Valuation Dates**

Where the Products relate to a single Share (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that 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 the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine its estimate of the relevant level of the Share on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of the Share in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.1 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in accordance with paragraph 1.1(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

1.2 **Basket of Underlyings and Underlying Valuation Dates - Individual Postponement of Underlying Valuation Dates**

Where the Products relate to a basket of Underlyings and where 'Underlying Valuation Dates – Adjustments for Disrupted Days' is specified as 'Individual Adjustment' in respect of the basket of Underlyings in the Issue Terms (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that 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 the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

- (a) the last consecutive 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
- (b) the Calculation Agent shall determine its estimate of the relevant level of the relevant Basket Component on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of the relevant Basket Component in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.2 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date for the relevant Basket Component may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence in respect of such Basket Component or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in

accordance with paragraph 1.2(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

1.3 Basket of Underlyings and Underlying Valuation Dates - Common Postponement of Underlying Valuation Dates

Where the Products relate to a basket of Underlyings and where 'Underlying Valuation Dates – Adjustments for Disrupted Days' is specified as 'Common Adjustment' in respect of the basket of Underlyings in the Issue Terms (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that an Underlying Valuation Date is a Disrupted Day in respect of any 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 any Basket Component, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day in respect of any Basket Component. In that case:

- (a) the last consecutive 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 for one or more Shares in the basket (each such Share an "**Affected Share**" in respect of such Underlying Valuation Date);
- (b) in respect of each Share in the basket that is not an Affected Share, the relevant Level shall be determined in accordance with the definition of Level on such last consecutive Scheduled Trading Day; and
- (c) in respect of each Affected Share, the Calculation Agent shall determine its estimate of the relevant level of such Basket Component(s) on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of such Affected Share(s) in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.3 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date for each Affected Share may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence in respect of such Affected Share or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in accordance with paragraph 1.3(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

2. Potential Adjustment Events and Extraordinary Events

2.1 Consequences of a Potential Adjustment Event

If the Calculation Agent determines that a Potential Adjustment Event has occurred in relation to a Share, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of such Share and, if so, the Issuer and/or Calculation Agent may (but is not obliged to):

- (a)
 - (i) make the corresponding adjustment(s), if appropriate, to the Conditions as the Calculation Agent determines 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); or
- (b) if the Calculation Agent determines that no adjustment as described in (a) above (or in paragraph 2.3) would be possible or would achieve a commercially reasonable result, the

Calculation Agent may determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

2.2 Consequences of an Extraordinary Event

If the Calculation Agent determines that an Extraordinary Event has occurred in respect of a Share, the following will apply:

- (a)
 - (i) in respect of a Merger Event or Tender Offer, on or after the relevant Merger Date or Tender Offer Date (or such other date as the Calculation Agent deems relevant), the Issuer and/or Calculation Agent may (A) make such adjustment to the Conditions as the Calculation Agent determines appropriate to account for the economic effect on the Products of such Merger Event or Tender Offer (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 (B) determine the effective date of that adjustment; or
 - (ii) in respect of a Nationalisation, Insolvency or Delisting, on or after the date of the occurrence of the Nationalisation, Insolvency and/or Delisting, as determined by the Calculation Agent, the Issuer and/or Calculation Agent may (A) make such adjustment to the Conditions as the Calculation Agent determines 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 (B) determine the effective date of that adjustment; or
- (b) if the Calculation Agent determines that no adjustment as described in (a) above (or in paragraph 2.3 below) would be possible or would achieve a commercially reasonable result, the Calculation Agent may determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

2.3 Additional Adjustments in respect of a basket of Underlyings

Where the Products relate to a basket of Underlyings, if in relation to a Basket Component an adjustment (as described in Share Linked Condition 2.1 or 2.2) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to such Share Linked Conditions in relation to each such Basket Component (an "**Affected Basket Component**")) be entitled, but not obliged to, either:

- (a) remove the Affected Basket Component(s) from the basket of Underlyings without replacement (and in such case, the Calculation Agent may make such amendments to the Conditions as it reasonably determines are appropriate to take into account the removal of the Affected Basket Component(s) and the economic effect thereof on the Products); or
- (b) replace the Affected Basket Component(s) in whole or in part by a new Basket Component (which may be a cash amount in the Underlying Currency representing the value of the Affected Basket Component at the time of such replacement, as calculated by the Calculation Agent in its reasonable discretion) (the "**Successor Basket Component**"). In such case, the Calculation Agent may make such amendments to the Conditions as it reasonably determines are appropriate to take into account the replacement of the Affected Basket Component(s) with the Successor Basket Component. The Successor Basket Component(s) will be selected by the Calculation

Agent in its reasonable discretion and the relevant characteristics thereof shall be as similar to the Affected Basket Component being replaced as far as reasonably practicable. Upon such replacement, the Successor Basket Component will be deemed to be the Basket Component and any reference in the Conditions to the Affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.

2.4 Notice of Adjustments

Upon making any such adjustment pursuant to this Share Linked Condition 2, the Issuer and/or Calculation Agent shall give notice to the Investors in accordance with General Condition 15 (*Notices*), stating the relevant adjustment and giving brief details of the relevant event in respect of which such adjustment was made, provided that any failure to give such notice shall not affect the validity of the relevant event or any action taken.

3. *Consequences of an Additional Disruption Event*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer and/or Calculation Agent may:

- (a) make such adjustment(s) to the Conditions as the Calculation Agent determines appropriate to account for the economic effect on the Products of such Additional Disruption Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Share). Upon making any such adjustment, the Issuer and/or Calculation Agent shall give notice to the Investors in accordance with General Condition 15 (*Notices*), stating the relevant adjustment and giving brief details of the relevant event in respect of which such adjustment was made, provided that any failure to give such notice shall not affect the validity of the relevant event or any action taken; or
- (b) if the Calculation Agent determines that no adjustment as described in (a) above would be possible or would achieve a commercially reasonable result, determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

4. *Correction of Prices*

In the event that a Relevant Underlying Price is subsequently corrected and the correction (the "**Corrected Price**") is published by the Exchange on or before the Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant determination in respect of the Products may have to be made, which, in each case, would require the Relevant Underlying Price, then the Calculation Agent shall be entitled to determine the amount payable or make any such determination in connection with the Products after taking into account such Corrected Price, and, to the extent necessary, the Issuer and/or Calculation Agent may adjust any relevant terms of the Products to account for such Corrected Price. Any such determination or adjustment and the date of its first application shall be published in accordance with General Condition 15 (*Notices*).

5. *Definitions*

The following terms and expressions shall have the following meanings in respect of Share Linked Products and each Underlying which is a Share:

"Additional Disruption Event" means each of Increased Cost of Hedging, a Change in Law, a Hedging Disruption, an Insolvency Filing, a Failure to Deliver and/or a Reduced Number of Shares, in each case, if specified to be 'Applicable' in the Issue Terms.

"Basket Component" means each Share composed within a basket of Underlyings.

"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 Calculation Agent determines in good faith that (i) it has become illegal to hold, acquire or dispose of a Share, or (ii) 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).

"Closing Share Price" means, on any day in respect of a Share, the official closing price of such Share on the Exchange as of the Valuation Time on the relevant day, as determined by the Calculation Agent subject as provided in the Share Linked Conditions.

"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).

"Disrupted Day" means, in respect of a 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.

"Early Closure" means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange(s) relating to such 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 (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) 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.

"Exchange" means, in respect of a Share, the exchange or the quotation system as specified in the Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily relocated (provided that the Calculation Agent has determined in its reasonable discretion that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original exchange or quotation system).

"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 Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, such Share on the Exchange, or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share on any relevant Related Exchange.

"Extraordinary Event" means a Merger Event, a Tender Offer, a Nationalisation, an Insolvency or a Delisting.

"Failure to Deliver" means, in respect of a Share, the failure of the Hedging Entity to deliver, when due, the relevant Shares, where such failure to deliver is due to illiquidity in the market for such Shares.

"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 Calculation Agent deems necessary to hedge the risk of entering into and performing the Issuer's obligations arising from the Products, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedging Entity" means the Issuer and/or Calculation Agent or any of its affiliate(s) or any entity (or entities) acting on behalf of the Issuer and/or Calculation Agent engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.

"Illiquidity Event" means that the Calculation Agent determines that it is, or becomes (or is likely to become) impossible or impracticable for the Issuer and/or Hedging Entity to liquidate the Share in a sufficient amount to meet its payment and/or delivery obligations (in whole or in part) in respect of the forthcoming payment date as a result of the insufficient liquidity of the Shares.

"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).

"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 (a) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"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.

"Intraday Price" means, in respect of a Share and any relevant time on any relevant day, the price at which such Share trades on the relevant Exchange at such time on such day, as determined by the Calculation Agent.

"Level" means, in respect of a Share and any relevant day, one of the following as specified in the Issue Terms in respect of such Share and such day:

- (a) Closing Share Price;
- (b) Opening Share Price;
- (c) Intraday Price; or
- (d) Volume Weighted Average Price.

"Market Disruption Event" means the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent regards as material, at any time during the one-hour period that ends at the relevant Valuation Time, (c) an Early Closure, or (d) an Illiquidity Event.

"Maximum Days of Disruption" means, unless specified otherwise in the Issue Terms, eight Scheduled Trading Days.

"Merger Date" means the closing date of a Merger Event (as determined by the 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 Calculation Agent.

"Merger Event" means, in respect of a Share, any (a) 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, (b) 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), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding 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 (d) 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 per cent. 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.

"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.

"Opening Share Price" means, on any day in respect of a Share, the official opening share price of such Share on the Exchange on the relevant day, as determined by the Calculation Agent subject as provided in the Share Linked Conditions.

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of the 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;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) 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 (iii) 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 (iv) 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 Calculation Agent;
- (c) an amount per Share which the Calculation Agent determines should be characterised as an extraordinary dividend;
- (d) a call by the Share Issuer in respect of relevant Shares that are not fully paid;
- (e) 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;
- (f) 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 Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any exercise of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

"Reduced Number of Shares" means that at any time following an Extraordinary Event there remain a number of Shares of the Share Issuer less than the Relevant Number of Shares for the purposes of determining the redemption of the Products in accordance with the Conditions.

"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 Calculation Agent in its reasonable discretion) on the overall market for futures or options contracts relating to such Share.

"Relevant Number of Shares" means the number of Shares of the Share Issuer as specified in the Issue Terms.

"Relevant Underlying Price" means, in respect of a Share, a price for such Share, as determined and published by the Exchange, which is relevant for the Products.

"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.

"Scheduled Underlying Valuation Date" means, in respect of an Underlying Valuation Date, the original date specified as such in the Issue Terms that, but for the occurrence of an event causing a Disrupted Day, would have been such Underlying Valuation Date.

"Share" means, subject to adjustment in accordance with the Share Linked Conditions, each share specified as such in the Issue Terms and related expressions shall be construed accordingly.

"Share Issuer" means, in respect of a Share, the issuer of such Share.

"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 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon filings made to governmental or self-regulatory agencies or such other information as the Calculation Agent deems 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 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer) are actually purchased or otherwise obtained (as determined by the Calculation Agent).

"Trading Disruption" means, in respect of a 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 (a) relating to such Share on such Exchange or (b) in futures or options contracts relating to such Share on any relevant Related Exchange.

"Underlying Currency" means, in respect of an Underlying, the currency specified as such in the Issue Terms.

"Underlying Trading Day" means, in respect of a Share, an Exchange Business Day for such Share.

"Underlying Valuation Date" means each of the following (a) the Initial Fixing Date and the Final Fixing Date and (b) each other relevant date on which the Issuer and/or Calculation Agent is required under the Conditions to determine the level of a Share, in each case, subject to adjustment in accordance with the Share Linked Conditions.

"Valuation Time" means, in respect of a Share, the time at which the official closing price of such 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.

"Volume Weighted Average Price" means, on any day in respect of a Share, an amount equal to the volume weighted average price for such Share as displayed on the Exchange as of the Valuation Time on the relevant day, as determined by the Calculation Agent subject as provided in the Share Linked Conditions.

INDEX LINKED CONDITIONS

The provisions of these Index Linked Conditions shall apply to Index Linked Products in respect of each Underlying which is an Index.

1. ***Consequences of Disrupted Days***

1.1 **Single Index and Underlying Valuation Dates**

Where the Products relate to a single Index (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that 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 the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine its estimate of the relevant level of the Index on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of the Index in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.1 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in accordance with paragraph 1.1(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

1.2 **Basket of Underlyings and Underlying Valuation Dates – Individual Postponement of Underlying Valuation Dates**

Where the Products relate to a basket of Underlyings and where 'Underlying Valuation Dates – Adjustments for Disrupted Days' is specified as 'Individual Adjustment' in respect of the basket of Underlyings in the Issue Terms (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that 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 the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

- (a) the last consecutive 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
- (b) the Calculation Agent shall determine its estimate of the relevant level of the relevant Basket Component on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of the relevant Basket Component in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.2 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date for the relevant Basket Component may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence in respect of such Basket Component or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in

accordance with paragraph 1.2(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

1.3 Basket of Underlyings and Underlying Valuation Dates – Common Postponement of Underlying Valuation Dates

Where the Products relate to a basket of Underlyings and where 'Underlying Valuation Dates – Adjustments for Disrupted Days' is specified as 'Common Adjustment' in respect of the basket of Underlyings in the Issue Terms (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that an Underlying Valuation Date is a Disrupted Day in respect of any 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 any Basket Component, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day in respect of any Basket Component. In that case:

- (a) the last consecutive 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 for one or more Indices in the basket (each such Index an "**Affected Index**" in respect of such Underlying Valuation Date);
- (b) in respect of each Index in the basket that is not an Affected Index, the relevant Level shall be determined in accordance with the definition of Level on such last consecutive Scheduled Trading Day; and
- (c) in respect of each Affected Index, the Calculation Agent shall determine its estimate of the relevant level of such Basket Component(s) on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of such Affected Index(ices) in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.3 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date for each Affected Index may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence in respect of such Affected Index or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in accordance with paragraph 1.3(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

2. Successor Index Sponsor, Successor Index and Index Adjustment Events

2.1 Successor Index Sponsor and Successor Index

- (a) If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor to the Index Sponsor (a "**Successor Index Sponsor**") acceptable to the Calculation Agent; or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of such Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.
- (b) If either of the events described in (a) above have occurred, the Issuer and/or Calculation Agent may make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Products to account for such Successor Index. Upon making any such adjustment the Issuer and/or Calculation Agent shall give notice to the Investors, giving details of the adjustment, in accordance with General Condition 15 (*Notices*).
- (c) If the Calculation Agent determines that no adjustment as described in (b) above (or in paragraph 2.3 below) would be possible or would achieve a commercially reasonable result, the Calculation Agent may determine that the Issuer shall redeem the Products by giving not less

than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

2.2 Index Adjustment Events

- (a) If, in respect of an Index, the Calculation Agent determines that an Index Adjustment Event has occurred, the 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 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 Investors thereof (in accordance with General Condition 15 (*Notices*)). None of the Issuer and/or Calculation Agent or the Paying Agent 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.
- (b) If the Calculation Agent determines that no adjustment as described in (a) above (or in paragraph 2.3 below) would be possible or would achieve a commercially reasonable result, the Calculation Agent may determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

2.3 Additional Adjustments in respect of a Basket of Underlyings

Where the Products relate to a basket of Underlyings, if in relation to a Basket Component an adjustment (as described in Index Linked Condition 2.1 (*Successor Index Sponsor and Successor Index*) or 2.2 (*Index Adjustment Events*)) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to such Index Linked Conditions in relation to each such Basket Component (an "**Affected Basket Component**")) be entitled, but not obliged to either:

- (a) remove the Affected Basket Component(s) from the basket of Underlyings without replacement (and in such case, the Calculation Agent may make such amendments to the Conditions as it reasonably determines are appropriate to take into account the removal of the Affected Basket Component(s) and the economic effect thereof on the Products); or
- (b) replace the Affected Basket Component(s) in whole or in part by a new Basket Component (which may be a cash amount in the Underlying Currency representing the value of the Affected Basket Component at the time of such replacement as calculated by the Calculation Agent in its reasonable discretion) (the "**Successor Basket Component**"). In such case, the Calculation Agent may make such amendments to the Conditions as it reasonably determines are appropriate to take into account the replacement of the Affected Basket Component(s) with the Successor Basket Component. The Successor Basket Component(s) will be selected by the Calculation Agent in its reasonable discretion and the relevant characteristics thereof shall be as similar to the Affected Basket Component being replaced as far as reasonably practicable. Upon such replacement, the Successor Basket Component will be deemed to be the Basket Component and any reference in the Conditions to the Affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.

2.4 Notice of Adjustments

Upon making any such adjustment pursuant to this Index Linked Condition 2, the Issuer and/or Calculation Agent shall give notice to the Investors in accordance with General Condition 15, stating the relevant adjustment and giving brief details of the relevant event in respect of which such adjustment was made, provided that any failure to give such notice shall not affect the validity of the relevant event or any action taken.

3. ***Consequences of an Additional Disruption Event***

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer and/or Calculation Agent may:

- (a) make such adjustment(s) to the Conditions as the Calculation Agent determines appropriate to account for the economic effect on the Products of such Additional Disruption Event; or
- (b) if the Calculation Agent determines that no adjustment as described in (a) above would be possible or would achieve a commercially reasonable result, determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

4. ***Correction of Levels***

In the event that a Relevant Level is subsequently corrected and the correction (the "**Corrected Level**") is published by the Index Sponsor on or before the Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant determination in respect of the Products may have to be made, which, in each case, would require the Relevant Level, then the Calculation Agent shall be entitled to determine the amount payable or make any such determination in connection with the Products after taking into account such Corrected Level, and, to the extent necessary, the Issuer and/or Calculation Agent may adjust any relevant terms of the Products to account for such Corrected Level. Any such determination or adjustment and the date of its first application shall be published in accordance with General Condition 15 (*Notices*).

5. ***Proprietary Index Provisions***

If the relevant Issue Terms specify that the relevant Index is a Proprietary Index, the following terms shall apply and Index Linked Condition 2.2 (*Index Adjustment Events*) shall not apply to such Index.

If, in respect of a Proprietary Index, the Calculation Agent determines that (a) the relevant Index Sponsor or Successor Index Sponsor, if applicable, permanently cancels such Proprietary Index and no Successor Index exists as at the date of such cancellation (an "**Index Cancellation**"), or (b) the Issuer has ceased to be the Index Sponsor of the Index and has generally exited or has ceased to engage in the business of being the index sponsor for proprietary strategies and indices similar to such Proprietary Index (an "**Index Sponsor Exit Event**") upon the Calculation Agent giving notice to Investors in accordance with General Condition 15 (*Notices*), the Issuer shall (or, in respect of an Index Sponsor Exit Event, may (but is not obliged to)) redeem the Index Linked Products in whole but not in part, each Index Linked Product being redeemed by payment of an amount equal to the Unscheduled Early Redemption Amount of such Index Linked Product, as determined by the Calculation Agent. Payments will be made in such manner as shall be notified to the Investors in accordance with General Condition 15 (*Notices*).

6. ***Definitions***

The following terms and conditions shall have the following meanings in respect of Index Linked Products and each Underlying which is an Index:

"Additional Disruption Event" means each of Increased Cost of Hedging, a Change in Law and/or a Hedging Disruption, in each case, if specified to be 'Applicable' in the Issue Terms.

"Basket Component" means each Index composed within a basket of Underlyings.

"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 Calculation Agent determines in good faith that (i) it has become illegal to hold, acquire or dispose of the components contained an Index, (ii) the use of an Index or one of the components contained in an Index has become illegal, or (iii) 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).

"Closing Index Level" means, on any day in respect of an Index, the official closing level of such Index as of the Valuation Time on or in respect of the relevant day as calculated and published by the relevant Index Sponsor or as otherwise determined by the Calculation Agent subject as provided in the Index Linked Conditions.

"Disrupted Day" means, in respect of an Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index, (b) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or (c) on which a Market Disruption Event has occurred.

"Early Closure" means, in respect of an 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 (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) 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.

"Exchange" means, in respect of an 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 Calculation Agent has 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 an 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 Delivery Settlement Price" or **"EDSP"** means, in respect of an Index and any relevant time on any relevant day, the official exchange delivery settlement price of such Index at such time on or in respect of such day, as published by the Index Sponsor and as determined by the Calculation Agent.

"Exchange Disruption" means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) 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 (b) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange.

"Hedging Disruption" means:

- (a) in respect of an Index other than any Proprietary Index, that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Calculation Agent deems necessary to hedge the risk of entering into and performing the Issuer's obligations arising from the Products, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s);
- (b) in respect of a Proprietary Index, the meaning given such term in the relevant Index Rules.

"Hedging Entity" means the Issuer and/or Calculation Agent or any of their affiliate(s) or any entity (or entities) acting on behalf of the Issuer and/or Calculation Agent engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.

"Illiquidity Event" means that the Calculation Agent determines that it is, or becomes (or is likely to become) impossible or impracticable for the Issuer and/or Hedging Entity to liquidate the Index (or components thereof) in a sufficient amount to meet its payment and/or delivery obligations (in whole or in part) in respect of the forthcoming payment date as a result of the insufficient liquidity of the Index or its components.

"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).

"Index" and **"Indices"** mean, subject to an adjustment in accordance with the Index Linked Conditions, each index specified as such in the Issue Terms and related expressions shall be construed accordingly.

"Index Adjustment Event" means (a) for any Index other than a Proprietary Index, each of an Index Cancellation, an Index Disruption or an Index Modification and (b) in respect of Proprietary Indices, each of an Index Cancellation and an Index Sponsor Exit Event.

"Index Cancellation" means, in respect of an Index, on or before any Underlying Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor permanently cancels the Index or the Index may no longer be used as a consequence of new regulatory provisions and no Successor Index exists.

"Index Disruption" means, in respect of an Index, on any Underlying Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce the level of the Index.

"Index Modification" means, in respect of an Index, on or before any Underlying Valuation Date the Index Sponsor or (if applicable) the 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).

"Index Rules" means, in respect of a Proprietary Index, the index rules setting out the rules, methodology and other information applicable to such Proprietary Index, as amended and supplemented from time to time, a copy of which may be provided to an Investor by the Calculation Agent upon request by such Investor and/or made available on the website specified in the relevant Issue Terms.

"Index Sponsor" means, (a) for any Index other than a Proprietary Index, the entity specified in the relevant Issue Terms, and, if not specified, the corporation or other entity that, as determined by the Calculation Agent, (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index, and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day; and (b) for a Proprietary Index, the Issuer.

"Intraday Level" means, in respect of an Index and any relevant time on any relevant day, the official level of such Index at such time on or in respect of such day, as published by the Index Sponsor and as determined by the Calculation Agent.

"Level" means, in respect of an Index and any relevant day, one of the following as specified in the Issue Terms in respect of such Index and such day:

- (a) Closing Index Level;
- (b) Intraday Level;
- (c) Opening Index Level; or
- (d) Exchange Delivery Settlement Price.

"Market Disruption Event" means, in respect of an Index, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent regards as material, at any time during the one-hour period that ends at the relevant Valuation Time, (c) an Early Closure, or (d) an Illiquidity Event. 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 (i) the portion of the level of the Index attributable to that security and (ii)

the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"Maximum Days of Disruption" means, unless specified otherwise in the Issue Terms, eight Scheduled Trading Days.

"Opening Index Level" means, on any day in respect of an Index, the official opening level of such Index on or in respect of the relevant day as calculated and published by the relevant Index Sponsor or as otherwise determined by the Calculation Agent subject as provided in the Index Linked Conditions.

"Other Disruption" in respect of a Proprietary Index, shall have the meaning given to such term in the relevant Index Rules.

"Proprietary Index" means any Index specified as such in the relevant Issue Terms, or, if not specified, any Index the Calculation Agent determines as such.

"Related Exchange(s)" means, in respect of an 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 Calculation Agent in its reasonable discretion) on the overall market for futures or options contracts relating to such Index.

"Relevant Level" means, in respect of an Index, a level for such Index, as determined and published by the Index Sponsor, which is relevant for the Products.

"Scheduled Closing Time" means, in respect of an Index, 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 an Index, any day on which the Index Sponsor is scheduled to calculate and publish the level of such Index.

"Scheduled Underlying Valuation Date" means, in respect of an Underlying Valuation Date, the original date specified as such in the Issue Terms that, but for the occurrence of an event causing a Disrupted Day, would have been such Underlying Valuation Date.

"Trading Disruption" means, in respect of an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to securities that comprise 20 per cent. or more of the level of such Index on any relevant Exchange or (b) in futures or options contracts relating to such Index on any relevant Related Exchange.

"Underlying Currency" means, in respect of an Underlying, the currency specified as such in the Issue Terms.

"Underlying Trading Day" means, in respect of an Index, an Exchange Business Day for such Index.

"Underlying Valuation Date" means each of the following (a) the Initial Fixing Date and the Final Fixing Date and (b) each other relevant date on which the Issuer and/or Calculation Agent is required under the Conditions to determine the level of an Index, in each case, subject to adjustment in accordance with the Index Linked Conditions.

"Valuation Time" means in respect of an Index other than any Proprietary Index, the time at which the official closing level of such Index is calculated and published by the Index Sponsor (or Index Calculation Agent, as applicable).

ETF LINKED CONDITIONS

The provisions of these ETF Linked Conditions shall apply to ETF Linked Products in respect of each Underlying or Delivery Underlying which is an ETF Share.

1. ***Consequences of Disrupted Days***

1.1 **Single Fund and Underlying Valuation Dates**

Where the Products relate to a single ETF Share (and if the Issue Terms specify that this provision shall apply to particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that 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 the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day shall be deemed to be the relevant Underlying Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine its estimate of the relevant level of the ETF Share on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of the ETF Share in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.1 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in accordance with paragraph 1.1(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

1.2 **Basket of Underlyings and Underlying Valuation Dates – Individual Postponement of Underlying Valuation Dates**

Where the Products relate to a basket of Underlyings and where 'Underlying Valuation Dates – Adjustments for Disrupted Days' is specified as 'Individual Adjustment' in respect of the basket of Underlyings in the Issue Terms (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that 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 the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day in respect of the relevant Basket Component. In that case:

- (a) the last consecutive 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
- (b) the Calculation Agent shall determine its estimate of the relevant level of the relevant Basket Component on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of the relevant Basket Component in accordance with General Condition 15 (*Notices*).

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.2 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date for the relevant Basket Component may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence in respect of such Basket Component or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in

accordance with paragraph 1.2(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

1.3 Basket of Underlyings and Underlying Valuation Dates – Common Postponement of the Underlying Valuation Dates

Where the Products relate to a basket of Underlyings and where 'Underlying Valuation Dates – Adjustments for Disrupted Days' is specified as 'Common Adjustment' in respect of the basket of Underlyings in the Issue Terms (and if the Issue Terms specify that this provision shall apply to one or more particular Underlying Valuation Dates, then this condition shall apply to such Underlying Valuation Dates only), if the Calculation Agent determines that an Underlying Valuation Date is a Disrupted Day in respect of any 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 any Basket Component, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Days of Disruption immediately following the Scheduled Underlying Valuation Date is a Disrupted Day in respect of any Basket Component. In that case:

- (a) the last consecutive 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 for one or more ETF Shares in the basket (each such ETF Share an "**Affected ETF Share**" in respect of such Underlying Valuation Date);
- (b) in respect of each ETF Share in the basket that is not an Affected ETF Share, the relevant Level shall be determined in accordance with the definition of Level on such last consecutive Scheduled Trading Day; and
- (c) in respect of each Affected ETF Share, the Calculation Agent shall determine its estimate of the relevant level of such Basket Component(s) on that last consecutive Scheduled Trading Day in its reasonable discretion, taking into account the market circumstances prevailing on such day. The Issuer and/or Calculation Agent shall publish the determined level of such Affected ETF Share(s) in accordance with General Condition 15.

PROVIDED THAT, if the Underlying Valuation Date is postponed in accordance with this paragraph 1.3 due to the occurrence of an Illiquidity Event, notwithstanding the Maximum Days of Disruption, the Underlying Valuation Date for each Affected ETF Share may be postponed until the earlier of (i) the first Scheduled Trading Day on which no Illiquidity Event is in existence in respect of such Affected ETF Share or (ii) the day that is 60 calendar days following the Scheduled Trading Day determined in accordance with paragraph 1.3(a) above (or if such day is not a Scheduled Trading Day, the first Scheduled Trading Day following such day).

2. Potential Adjustment Events and Extraordinary Events

2.1 Consequences of a Potential Adjustment Event

If the Calculation Agent determines that a Potential Adjustment Event has occurred or is likely to occur and such Potential Adjustment Event Adjustment has a diluting or concentrative effect on the theoretical value of an ETF Share or materially and adversely affects the calculation of the NAV, the Issuer and/or Calculation Agent may (but is not obliged to):

- (a)
 - (i) make the corresponding adjustment(s), if appropriate, to the Conditions as the Calculation Agent determines 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 and exchange contracts on the ETF Shares that are traded on such Related Exchange; or
- (b) if the Calculation Agent determines that no adjustment as described in (a) above (or in paragraph 2.3 (*Additional Adjustments in respect of a Basket of Underlyings*)) would be possible

or would achieve a commercially reasonable result, the Calculation Agent may determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

Any adjustment made by the Issuer and/or Calculation Agent pursuant to this ETF Linked Condition 2.1 shall be notified to Investors, stating the relevant adjustment and the effective date of such adjustment, in accordance with General Condition 15 (*Notices*).

2.2 Consequences of an Extraordinary Event

- (a) If the Calculation Agent determines that an Extraordinary Event has occurred, the Issuer and/or Calculation Agent may (but is not obliged to):
- (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 such Extraordinary Event in respect of the Products and determine the effective date of these adjustments; or
 - (ii) if the Calculation Agent determines that no adjustment that it could make pursuant to paragraph 2.2(a)(i) above leads to a commercially reasonable result, then the Calculation Agent may select:
 - (A) another fund that is in the same currency and has the same investment objective as the relevant Fund (the "**Replacement Fund**"); and
 - (B) the applicable day (the "**Fund Replacement Date**") for the replacement of the relevant Fund with the Replacement Fund (for the avoidance of doubt, the Calculation Agent may set the Fund Replacement Date as any date, including any date before the occurrence of the relevant Extraordinary Event or the Issue Date),

in which case, (I) the Replacement Fund replaces the Relevant Fund on the Fund Replacement Date, (II) references herein to the Fund are deemed, from the Fund Replacement Date, to be references to the Replacement Fund and (III) the Issuer and/or Calculation Agent in its reasonable 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 such substitution; or

- (b) if the Calculation Agent determines that no adjustment as described in (a) above (or in paragraph 2.3 below) would be possible or would achieve a commercially reasonable result, the Calculation Agent may determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

Any adjustment made by the Issuer and/or Calculation Agent pursuant to this ETF Linked Condition 2.2 shall be notified to Investors, stating the relevant adjustment and the effective date of such adjustment, in accordance with General Condition 15 (*Notices*).

2.3 Additional Adjustments in respect of a Basket of Underlyings

Where the Products relate to a basket of Underlyings, if, in relation to a Basket Component, an adjustment (as described in ETF Linked Condition 2) is necessary, the Issuer and/or Calculation Agent shall (in addition to the adjustments pursuant to such ETF Linked Condition in relation to each of such Basket Component (an "**Affected Basket Component**")) be entitled, but not obliged to either:

- (a) remove the Affected Basket Component(s) from the basket of Underlyings without replacement (and in such case, the Calculation Agent may make such amendments to the Conditions as it reasonably determines are appropriate to take into account the removal of the Affected Basket Component(s) and the economic effect thereof on the Products); or
- (b) replace the Affected Basket Component(s) in whole or in part by a new Basket Component (which may be a cash amount in the Underlying Currency representing the value of the Affected Basket Component at the time of such replacement as calculated by the Calculation Agent in its reasonable discretion) (the "**Successor Basket Component**"). In such case, the Calculation Agent may make such amendments to the Conditions as it reasonably determines are appropriate to take into account the replacement of the Affected Basket Component(s) with the Successor Basket Component. The Successor Basket Component(s) will be selected by the Calculation Agent in its reasonable discretion and the relevant characteristics thereof shall be as similar to the Affected Basket Component being replaced as far as reasonably practicable. Upon such replacement, the Successor Basket Component will be deemed to be the Basket Component and any reference in the Conditions to the Affected Basket Component, to the extent permitted by the context, shall be deemed to refer to the Successor Basket Component.

2.4 Notice of Adjustments

Upon making any such adjustment pursuant to this ETF Linked Condition 2, the Issuer and/or Calculation Agent shall give notice to the Investors in accordance with General Condition 15 (*Notices*), stating the relevant adjustment and giving brief details of the relevant event in respect of which such adjustment was made, provided that any failure to give such notice shall not affect the validity of the relevant event or any action taken.

3. *Consequences of an Additional Disruption Event*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer and/or Calculation Agent may:

- (a) make such adjustment(s) to the Conditions as the Issuer and/or Calculation Agent determines appropriate to account for the economic effect on the Products of such Additional Disruption Event (including adjustments to account for changes in volatility, expected dividends or liquidity relevant to the Fund); or
- (b) if the Calculation Agent determines that no adjustment as described in paragraph (a) above would be possible or would achieve a commercially reasonable result, determine that the Issuer shall redeem the Products by giving not less than ten (10) nor more than thirty (30) Business Days' irrevocable notice in accordance with General Condition 15 (*Notices*), in which case the Issuer shall redeem the Products and cause to be paid to each Investor in respect of each Product held by it an amount equal to the Unscheduled Early Redemption Amount. The termination shall become valid on the day of the notice in accordance with General Condition 15 (*Notices*).

Any adjustment made by the Issuer and/or Calculation Agent pursuant to this ETF Linked Condition 3 shall be notified to Investors, stating the relevant adjustment and the effective date of such adjustment, in accordance with General Condition 15 (*Notices*).

4. *Correction of Prices*

In the event that a Relevant Underlying Price is subsequently corrected and the correction (the "**Corrected Price**") is published by the Exchange on or before the Business Day prior to the next date on which any relevant payment or delivery may have to be made by the Issuer or in respect of which any relevant determination in respect of the Products may have to be made, which, in each case, would require the Relevant Underlying Price, then the Calculation Agent shall be entitled to determine the amount payable or make any such determination in connection with the Products after taking into account such Corrected Price, and, to the extent necessary, the Issuer and/or Calculation Agent may adjust any relevant terms of the Products to account for such Corrected Price. Any such determination or adjustment and the date of its first application shall be published in accordance General Condition 15 (*Notices*).

5. **Definitions**

The following terms and expressions shall have the following meanings in respect of ETF Linked Products and each Underlying or Delivery Underlying which is an ETF Share:

"Additional Disruption Event" means each of Increased Cost of Hedging, a Change in Law and/or a Hedging Disruption, in each case, if specified to be 'Applicable' in the Issue Terms.

"Basket Component" means each ETF Share composed within a basket of Underlyings.

"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 Calculation Agent determines in good faith that (i) it has become illegal to hold, acquire or dispose of an ETF Share, or (ii) 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).

"Closing Price" means, on any day in respect of an ETF, one of the following as specified in the Issue Terms in respect of such ETF and such day:

- (a) the official closing price of such ETF on the Exchange as of the Valuation Time on the relevant day, as determined by the Calculation Agent subject as provided in the ETF Linked Conditions; or
- (b) the net asset value calculated in accordance with the terms of the prospectus or other documents prepared in connection with the marketing of the ETF.

"Constitutional Document(s)" means, in respect of a Fund, the document(s) constituting the Trust.

"Delisting" means, in respect an ETF Share, that such ETF Shares cease or have ceased to be admitted to trade on the Exchange and that such ETF Shares have not been admitted to trade on another Exchange that the Calculation Agent considers to be a suitable substitute Exchange.

"Denomination Currency" means, in respect of an ETF Share, the currency in which the NAV of such ETF Share or the related ETF is published.

"Disrupted Day" means, in respect of an ETF Share, 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.

"Early Closure" means, in respect of an ETF Share, the closure on any Exchange Business Day of one or more relevant Exchange(s) 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 (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) 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.

"ETF" means an exchange traded fund.

"ETF Share" means, in respect of a Fund, the shares of such Fund specified as such in the Issue Terms, subject to replacement in accordance with these ETF Linked Conditions.

"Exchange" means, in respect of an ETF Share, the exchange or the quotation system specified as such in the Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such ETF Share has temporarily relocated (provided that the Calculation Agent has determined in its reasonable discretion that there is comparable liquidity relative to such ETF Share on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Disruption" means, in respect of an ETF Share, an event (other than an Early Exchange Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (a) effect transactions in such ETF Shares or obtain market values on the Exchange for such ETF Shares or (b) effect transactions in, or obtain market values for, futures or options contracts on such ETF Share on a relevant Related Exchange.

"Exchange Business Day" means, in respect of an ETF Share, 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.

"Extraordinary Event" means, in respect of an ETF Share, each of (a) an Insolvency in respect of the Fund, its Management Company or a depository or another of the Fund's service providers, (b) a Merger Event, (c) a Delisting or (d) a Termination of the Trust in respect of the related Fund.

"Fund" means, in respect of an ETF Share, the issuer of such ETF Share as specified in the Issue Terms, subject to replacement in accordance with these ETF Linked Conditions.

"Fund Reference Index" means the index specified as such in the Issue Terms.

"Fund Reference Index Sponsor" means the sponsor of the Fund Reference Index, as specified in the Issue Terms.

"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 Calculation Agent deems necessary to hedge the risk of entering into and performing the Issuer's obligations arising from the Products or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedging Entity" means the Issuer and/or Calculation Agent, any of their affiliate(s) or any entity (or entities) acting on behalf of the Issuer and/or Calculation Agent engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.

"Illiquidity Event" means that the Calculation Agent determines that it is, or becomes (or is likely to become) impossible or impracticable for the Issuer and/or Hedging Entity to liquidate the ETF Shares in a sufficient amount to meet its payment and/or delivery obligations (in whole or in part) in respect of the forthcoming payment date as a result of the insufficient liquidity of the ETF Shares.

"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).

"Insolvency" means, in respect of a relevant entity, that such entity:

- (a) is wound up (other than pursuant to a consolidation, amalgamation or takeover);
- (b) becomes insolvent, is unable or fails to pay its debts or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) either:
 - (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 (d)(i) of this definition of 'Insolvency' and either:
 - (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (B) is not dismissed, discharged, stayed or restrained in each case within fifteen calendar days of the institution or presentation thereof;
 - (e) has passed a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
 - (f) 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;
 - (g) 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;
 - (h) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (g) of this definition of 'Insolvency'; or
 - (i) takes actions that promote any of the foregoing processes or agrees to, consents to or permits the same.

"Intraday Price" means, in respect of an ETF and any relevant time on any relevant day, the price at which such ETF trades on the relevant Exchange at such time on such day, as determined by the Calculation Agent.

"Level" means, in respect of an ETF Share and any relevant day, one of the following as specified in the Issue Terms in respect of such ETF Share and such day:

- (a) Closing Price;
- (b) Intraday Price; or
- (c) Opening Price.

"Management Company" means, in respect of an ETF Share and the related Fund, the management company specified as such in the Issue Terms.

"Market Disruption Event" means, in respect of an ETF Share, the occurrence or existence of:

- (a) a Trading Disruption, an Exchange Disruption or a suspension or a failure of the announcement of the price of such ETF Share or NAV, which in either case the Calculation Agent regards as material in respect of the Products, at any time during the one-hour period immediately before the relevant Valuation Time;
- (b) an Early Exchange Closure;
- (c) an Illiquidity Event; or

- (d) the occurrence of any other event that, in the opinion of the Calculation Agent in its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for such ETF Shares,

PROVIDED THAT, if in respect of an event that would otherwise be 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 Business Day, the Calculation Agent may determine that such event is not considered material in respect of the relevant ETF Share. In such case such event shall not be a Market Disruption Event in respect of such ETF Share and, in respect of the relevant day, the Calculation Agent shall use the corresponding level of such ETF Share and the immediately preceding Scheduled Trading Day.

"Maximum Days of Disruption" means, unless specified otherwise in the Issue Terms, eight Scheduled Trading Days.

"Merger Date" means the closing date of a Merger Event (as determined by the 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 Calculation Agent.

"Merger Event" means, in respect of an ETF Share, any of:

- (a) reclassification or other change to the Fund that results in a transfer of or an irrevocable commitment to transfer all such ETF Shares outstanding to another entity or person;
- (b) 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 ETF Shares outstanding);
- (c) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETF Shares that results in a transfer of or an irrevocable commitment to transfer all such ETF Shares (other than such ETF Shares owned or controlled by such other entity or person); or
- (d) 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 ETF Shares outstanding but results in the outstanding ETF Shares (other than ETF Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETF Shares immediately following such event in each case if the Merger Date is on or before the Final Fixing Date.

"Opening Price" means, on any day in respect of an ETF, the official opening price of such ETF on the Exchange on the relevant day, as determined by the Calculation Agent subject as provided in the ETF Linked Conditions.

"Potential Adjustment Event" means, in respect of an ETF Share and the related Fund, the occurrence of any of the following events:

- (a) a subdivision, consolidation or reclassification of ETF Shares (unless resulting in a Merger Event) or a free distribution or dividend of such ETF Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of ETF Shares of:
 - (i) such ETF Shares;
 - (ii) 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 ETF Shares;

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- (iii) 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
 - (iv) 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;
- (c) a distribution per ETF Share which the Calculation Agent determines to be characterised as an extraordinary dividend;
- (d) a call by the Fund in respect of ETF Shares that are not fully paid;
- (e) a repurchase by the Fund or any of its affiliates of ETF Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) 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;
- (g) the NAV, as calculated by or on behalf of the ETF is not calculated or announced in respect of any Scheduled Trading Day within the time period that the Calculation Agent would ordinarily expect such NAV to be available in respect of such day;
- (h) the Denomination Currency is changed and now differs from the Denomination Currency as at the Initial Fixing Date;
- (i) any other circumstances that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of such ETF Shares or on the NAV; or
- (j) an adjustment to the calculation terms of exchange contracts in respect of such ETF Shares that are traded on a Related Exchange.

"Related Exchange(s)" means, in respect of an ETF Share, 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 such ETF Shares (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 ETF Shares is comparable with the liquidity of the original Related Exchange).

"Relevant Underlying Price" means, in respect of an ETF Share, one of the following as specified in the Issue Terms in respect of such ETF Share:

- (a) a price for such ETF Share, as determined and published by the Exchange, which is relevant for the Products; or
- (b) a value for such ETF Share, as determined and published by or on behalf of the related ETF, which is relevant for the Products.

"Scheduled Closing Time" means, in respect of an ETF Share, 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 an ETF Share, one of the following as specified in the Issue Terms in respect of such ETF Share:

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- (a) a day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions; or
- (b) 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 ETF Share.

"Scheduled Underlying Valuation Date" means, in respect of an Underlying Valuation Date, the original date specified as such in the Issue Terms that, but for the occurrence of an event causing a Disrupted Day, would have been such Underlying Valuation Date.

"Termination of the Trust" means, in respect of a Fund, where pursuant to the Constitutional Document(s) the Trust has been terminated or amended in another way, including (but not limited to):

- (a) the rescission of the Constitutional Document(s) by the Management Company or the Trustee 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(s) 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 a Fund the replacement of the Management Company or the substitution of the Trustee 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 such replacement or substitution takes effect.

"Trading Disruption" means, in respect of an ETF Share, 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 (a) relating to ETF Shares on the Exchange, (b) in futures or options contracts on the ETF Shares on a relevant Related Exchange or (c) in ETF Shares or other securities of an ETF in respect of the relevant Funds Reference Index on the Exchange or a Related Exchange, if in any of these cases the Calculation Agent determines in its reasonable discretion that such suspension or limitation is material.

"Trust" means, in respect of an ETF Share and the related Fund, the trust which constitutes the Fund or the company or another vehicle under which the ETF Shares are issued by the Fund.

"Trustee(s)" means the trustees for the beneficial owners of the Fund.

"Underlying Currency" means, in respect of an Underlying, the currency specified as such in the Issue Terms.

"Underlying Trading Day" means, in respect of an ETF Share, an Exchange Business Day for such ETF Share.

"Underlying Valuation Date" means each of the following (a) the Initial Fixing Date and the Final Fixing Date and (b) each other relevant date on which the Issuer and/or Calculation Agent is required under the Conditions to determine the level of a Fund, in each case, subject to adjustment in accordance with these ETF Linked Conditions.

"Valuation Time" means, in respect of an ETF Share, one of the following as specified in the Issue Terms in respect of such ETF Share:

- (a) the time at which the Exchange calculates and publishes the official closing price of such ETF Share. 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.

Underlying Linked Conditions
ETF Linked Conditions

- (b) any Scheduled Trading Day on which the NAV is calculated and announced in accordance with the terms of the prospectus or other documents prepared in connection with the marketing of the ETF Share.

FORM OF FINAL TERMS / PRICING SUPPLEMENT

The Final Terms in relation to each issuance of Products (other than Exempt Products) or the Pricing Supplement in relation to each issuance of Exempt Products for each Series will include such of the following information as is applicable with respect to such Products.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Products are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, any retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "EU PRIIPs Regulation") for offering or selling the Products or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Products or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[Insert the following (on first page) if intend to continue an offer following the expiry of the current Base Prospectus in accordance with PR Art 8(11): The Base Prospectus (as defined below) expires on 12 January 2025. On or prior to [this date][insert earlier date if the update is brought forward], a succeeding base prospectus (the "**2024 Base Prospectus**") will be published on the website of the Luxembourg Stock Exchange (www.LuxSE.com) and on the website of Leonteq Securities, AG (www.leonteq.com). Thereafter, the offering of the Products will continue under the 2024 Base Prospectus. The terms and conditions (and form of final terms) from the Base Prospectus will be incorporated by reference into the 2024 Base Prospectus and will continue to apply to the Products.]

[FINAL TERMS] [PRICING SUPPLEMENT] dated [●]



LEONTEQ SECURITIES AG
(incorporated in Switzerland)

[acting through its Guernsey branch (Leonteq Securities AG, Guernsey Branch)]
[acting through its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch)]

[Legal Entity Identifier: [●]]

[Up to] [●] [[●][Credit Linked Products] due [●] under the European Issuance and Offering Programme [the "[Certificates]/[Notes]" or the "Products"]/[The Products are TCM Secured Products]/[(to be consolidated and to form a single series with the [●] Products due [●], and issued on [●], the [●] Products due [●], and issued on [●]] [and the [●] Products due [●], and issued on [●]] under the European Issuance and Offering Programme (the Tranche [●] Products [and Tranche [●] Products))]]

[Issue Price: [●] [per cent. of the [Issue Size]/[Specified Denomination]/[Notional Amount]]/[per Certificate]]

[ISIN: [●]]

[Series: [●]]

[Tranche: [●]]

[Insert in case of Final Terms:

This document constitutes the final terms of the Products (the "**Final Terms**") *[Insert if the Final Terms is filed in the EEA alone or in conjunction with a non-EEA jurisdiction]* [described herein for the purposes of Article 6(3) of the EU Prospectus Regulation] and is prepared in connection with the European Issuance and Offering Programme (the "**Programme**") established by Leonteq Securities AG which may also be acting through its Guernsey branch (Leonteq Securities AG, Guernsey Branch) or its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch) (the "**Issuer**"). These Final Terms complete and should be read in conjunction with the Base Prospectus dated 12 January 2024 [, including the [supplement][supplements] dated [●]] (the "**Base Prospectus**"), which constitutes a base prospectus for the purposes of the EU Prospectus Regulation. The Base Prospectus comprises the Securities Note dated 12 January 2024 (the "**Securities Note**") and the Registration Document of Leonteq Securities AG dated 21 June 2023 (the "**Registration Document**"). Full information on the Issuer and the offer of the Products is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the individual issue of the Products is annexed to these Final Terms.]

[The Products documented in these Final Terms may be considered structured products in Switzerland pursuant to Article 70 of the Swiss Financial Services Act ("**FinSA**") and are not subject to supervision by the Swiss Financial Market Supervisory Authority ("**FINMA**"). None of the Products constitute a participation in a collective investment scheme within the meaning of the Collective Investment Schemes Act ("**CISA**") and are neither subject to the authorisation nor the supervision by the FINMA and investors do not benefit from the specific investor protection provided under the CISA. Investors bear the credit risk of the Issuer.]

The Base Prospectus, and any supplements thereto, are available for viewing at https://structuredproducts-ch.leonteq.com/services/prospectuses?language_id=1. Terms used herein shall have the same meaning as in the General Conditions, the Payout Conditions and the applicable Underlying Specific Conditions (as may be amended and/or supplemented up to, and including, *[insert Issue Date]*) set forth in the Base Prospectus.

[These Final Terms relate to each series of Products as set out in the table entitled 'Specific Provisions for each Series' below. References herein to "**Products**" shall be deemed to be references to the relevant Series of Products that are subject to these Final Terms and references to "**Product**" shall be construed accordingly.]]

[Insert in case of Pricing Supplement:

[Terms used herein shall have the same meaning as in the General Conditions, the Payout Conditions and the applicable Underlying Specific Conditions (as may be amended and/or supplemented up to, and including, *[insert Issue Date]*) set forth in the Base Prospectus dated 12 January 2024 [and the supplement(s) dated *[insert the date(s) for supplement(s) to the Base Prospectus]* to the Base Prospectus]) (the "**Base Prospectus**"). The Base Prospectus comprises the Securities Note dated 12 January 2024 (the "**Securities Note**") and the Registration Document of Leonteq Securities AG dated 21 June 2023 (the "**Registration Document**"). This document constitutes the Pricing Supplement of the Products described herein. Full information on the Issuer and the offer of the [Products] is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [(as supplemented)]. The Base Prospectus and any supplements to the Base Prospectus are available for inspection during the usual business hours at [Leonteq Securities AG, Europaallee 39, Zurich, Switzerland. In addition thereto, the documents will be published in electronic form on the website www.leonteq.com and *[[insert if admitted to trading on the Luxembourg Stock Exchange's Euro MTF]* on the website of the Luxembourg Stock Exchange (www.LuxSE.com)].

This Pricing Supplement does not constitute final terms for the purposes of Article 6(3) of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Issuer is not offering the Products in any jurisdiction in circumstances which would require a prospectus pursuant to the EU Prospectus Regulation. Nor is any person authorised to make such an offer of the Products on behalf of the Issuer nor the Lead Manager in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing the Products on a regulated market for the purposes of Directive 2014/65/EU).

The Products documented in this Pricing Supplement may be considered structured products in Switzerland pursuant to Article 70 of the Swiss Financial Services Act ("**FinSA**") and are not subject to supervision by the Swiss Financial Market Supervisory Authority ("**FINMA**"). None of the Products

constitute a participation in a collective investment scheme within the meaning of the Collective Investment Schemes Act ("**CISA**") and are neither subject to the authorisation nor the supervision by the FINMA and investors do not benefit from the specific investor protection provided under the CISA. Investors bear the credit risk of the Issuer.

[Insert for each offer in Switzerland. Note that Exempt Products may not be offered to Retail Clients in Switzerland.] [The Products documented in this Pricing Supplement are not being offered, sold or advertised, directly or indirectly, in, into or from Switzerland to retail clients (*Privatkundinnen und -kunden*) within the meaning of FinSA ("**Retail Clients**"). Neither this Pricing Supplement nor any offering materials relating to the Products may be available to Retail Clients in or from Switzerland. The offering of the Products directly or indirectly, in, into or from Switzerland is only made by way of private placement by addressing the Products solely at investors classified as professional clients (*professionelle Kunden*) or institutional clients (*institutionelle Kunden*) within the meaning of FinSA ("**Professional or Institutional Clients**").]

[This Pricing Supplement relates to each series of Products as set out in the table entitled 'Specific Provisions for each Series' below. References herein to "**Products**" shall be deemed to be references to the relevant Series of Products that are subject to this Pricing Supplement and references to "**Product**" shall be construed accordingly.]]

(Where the Final Terms or the Pricing Supplement, respectively, cover two or more series of Products, the table below should be completed for all variables which will differ across the different series. The relevant line item for any such variable contained in the Final Terms or the Pricing Supplement, respectively, below the table entitled 'Specified Provisions for each Series' should include the following language: "In respect of each Series, as specified in the table set out in 'Specific Provisions for each Series' above")

[SPECIFIC PROVISIONS FOR EACH SERIES]

ISIN	[Common Code]/[Insert other security code]	[Series]	Settlement Currency	[Issue Size at the Issue Date]	[Redemption Date]	[Insert other variable which will differ across different series]	[Insert other variable which will differ across different series]	[Insert other variable which will differ across different series]	[Insert other variable which will differ across different series]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

PART A – OPERATIONAL INFORMATION

1. **Security Codes:**
- ISIN: [●]
- Common Code: [●]/[Not Applicable]
- WKN Number: [●]/[Not Applicable]
- Swiss Security Number: [●]/[Not Applicable]
- Other Identifier: [●]/[Not Applicable]
2. **Relevant Clearing System(s) [and the relevant identification number(s)]:** [Euroclear/Clearstream, Luxembourg]
[SIS [– identification number [●]]] (*specify other; give name(s), address(es) and identification number(s)*) [●]
3. **Delivery:** Delivery [against/free of] payment

PART B – CONTRACTUAL TERMS**Provisions relating to the Products**

4. (a) **Series:** [●]/[Not Applicable]
- (b) **Tranche:** [●]/[Not Applicable]
- [The Products shall be consolidated and form a single series with the Tranche [●] Products[, the Tranche [●] Products] [and the Tranche [●] Products] but shall not be fungible with the Tranche [●] Products [, the Tranche [●] Products] [and the Tranche [●] Products] until such time as the clearing systems recognise the Products to be fungible with the Tranche [●] Products[, the Tranche [●] Products] [and the Tranche [●] Products].]
5. **Settlement Currency:** [●]
6. **Products:** [Notes]/[Certificates]
7. **Notes:** [Not Applicable]/[Applicable] (*If Not Applicable delete the remaining sub-paragraphs*)
- (a) Issue Size as at the Issue Date: [Up to] [●]
- (i) Tranche: [[Up to] [●]]/[Not Applicable]
- (ii) Series: [[Up to] [●]]/[Not Applicable]
- (b) Specified Denomination: [●]
- (c) Minimum Tradable Lot: [●]
8. **Certificates:** [Not Applicable]/[Applicable] (*If Not Applicable delete the remaining sub-paragraphs*)

(a)	<i>[Insert for Unit Certificates: Number of Products]/[Insert for Notional Certificates: Issue Size as at the Issue Date];</i>	[Up to] [●] [Certificates]
(i)	Tranche:	[[Up to] [●] [Certificates]]/[Not Applicable]
(ii)	Series:	[[Up to] [●] [Certificates]]/[Not Applicable]
(b)	[Notional Amount:]	[●] (<i>Insert for Notional Certificates, otherwise delete</i>)
(c)	Minimum Tradable Lot:	[[●] Certificate[s]] [Not Applicable]
9.	Calculation Amount:	[●]
10.	Issue Price:	[[Up to] [●] per cent. Of the [Issue Size]/[Specified Denomination]/[Notional Amount] [plus accrued interest from [●]]] / [[Up to] [●] per Certificate [plus accrued interest from [●]]] [●] (<i>Insert applicable information on expenses contained in the price here or under 6.2(m) - PART C – OTHER INFORMATION</i>)
11.	Issue Date:	[●]
12.	Scheduled Redemption Date:	[●]
13.	TCM Secured Product:	[Applicable]/[Not Applicable] (<i>Only SIX SIS Securities can be TCM Secured Products. Not Applicable for Products that are not SIX SIS Securities</i>)
14.	Interest Record Date:	[[●] Business Days prior to [the scheduled payment date for the relevant interest amount]/[the first day on which the Product is quoted without the entitlement to the payment of the relevant interest amount]]/[Not Applicable]
15.	FX Disruption Event:	[Applicable]/[Not Applicable] (<i>If Not Applicable please delete the remaining sub-paragraph of this paragraph</i>)
-	Specified Currency:	[●]/[Not Applicable]
16.	CNY FX Disruption Event:	[Applicable]/[Not Applicable] (<i>If Not Applicable please delete the remaining sub-paragraph of this paragraph</i>)
-	CNY Financial Centre(s):	[●]/[Not Applicable]
-	CLP Specified Currency:	[●]/[Not Applicable]
17.	Swap Costs:	[Not Applicable]/[Applicable]
18.	Settlement Expenses:	[Not Applicable]/[Applicable]
19.	US Tax Selling Restriction:	[TEFRA C]/[TEFRA D]/[Not Applicable]

20. **Section 871(m) Withholding Tax:** [The Issuer has determined (without regard to any other transactions) that payments on the Products should not be subject to US withholding tax under 871(m)] / [The Issuer has determined that payments on the Products are subject to US withholding tax under section 871(m)] / [Not Applicable]

Provisions relating to Payouts

21. **Coupon Provisions:** [Applicable]/[Not Applicable] *(If Not Applicable delete the remaining subparagraphs of this paragraph)*
- (a) Multiple Coupon Payment Date Sets: [Applicable]/[Not Applicable]
- (b) Fixed Coupon Payment Date(s): [In respect of "Coupon Payment Date Set [●]": [●], [●] and [●] *(Repeat as necessary for each Set of Coupon Payment Dates (the first set being 'Coupon Payment Date Set 1'))*]/[In respect of each Set of Coupon Payment Dates, each][Each] date set forth in column entitled 'Coupon Payment Date(s)' in the Coupon Payment Table and specified as Fixed Coupon Payment Date [for such Set of Coupon Payment Dates] below]/[Not Applicable]
- (c) Floating Coupon Payment Date(s): [In respect of "Coupon Payment Date Set [●]": [●], [●] and [●] *(Repeat as necessary for each Set of Coupon Payment Dates (the first set being 'Coupon Payment Date Set 1'))*]/[In respect of each Set of Coupon Payment Dates, each][Each] date set forth in column entitled 'Coupon Payment Date(s)' in the Coupon Payment Table and specified as Floating Coupon Payment Date [for such Set of Coupon Payment Dates] below]/[Not Applicable]
- (d) Floating Coupon Provisions: [Applicable [in respect of Coupon Payment Date Set [●]]]/[Not Applicable]
- (Repeat as necessary for each Set of Coupon Payment Dates)*
- (If Not Applicable delete the remaining subparagraph of this paragraph)*
- (i) Reference Rate: [●]
- (ii) Coupon Observation Date(s): [[In respect of the Reference Rate and [a]/[the] Coupon Payment Date [in Coupon Payment Date Set [●]] [each of [●], [●] and [●]]/[●]]/[In respect of the Reference Rate and [a]/[the] Coupon Payment Date [in a Set of Coupon Payment Dates], each date specified in the column entitled 'Coupon Observation Date(s)' in the row corresponding to such Coupon Payment Date in the Coupon

		Payment Table [for such Set of Coupon Payment Dates] below]
		<i>(Repeat as necessary for each Set of Coupon Payment Dates)</i>
(iii)	Coupon Period(s):	[Not Applicable]/[Applicable. [Each of the following: [From, [and including]/[but excluding] [●] to, [and including]/[but excluding] [●]] <i>(Repeat as necessary for each Coupon Period)</i>]/[Each period from and including the Coupon Period Start Date to, but excluding the Coupon Period End Date specified in the Coupon Payment Table below]]
(iv)	Screen Rate	[Applicable]/[Not Applicable] <i>(Applicable if Reference Rate is a Screen Rate. If Not Applicable delete the remaining sub-paragraphs of this paragraph)</i>
	- Administrator	[●]
	- Designated Maturity	[●]
(v)	Calculated Rate	[Applicable]/[Not Applicable] <i>(Applicable if Reference Rate is a Calculated Rate. If Not Applicable delete the remaining sub-paragraphs of this paragraph)</i>
	- Number d:	[5]/[●]
	- p:	[360]/[365]
(vi)	Coupon Margin:	[With respect to all Coupon Payment Dates: [●]]/[With respect to the relevant Coupon Payment Date as set out in the Coupon Payment Table below]/[Not Applicable]
(vii)	Coupon Cap:	[With respect to all Coupon Payment Dates: [●]]/[With respect to the relevant Coupon Payment Date as set out in the Coupon Payment Table below]/[Not Applicable]
(viii)	Coupon Floor:	[With respect to all Coupon Payment Dates: [●]]/[With respect to the relevant Coupon Payment Date as set out in the Coupon Payment Table below]/[Not Applicable]
(ix)	Coupon Multiplier:	[With respect to all Coupon Payment Dates: [●]]/[With respect to the relevant Coupon Payment Date as set out in the Coupon Payment Table below]/[Not Applicable]
(x)	Reference Rate Business Day:	[a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Business Centre]/[a TARGET Business Day]

(xi)	Screen Page(s):	[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], [●]/[Not Applicable]
(xii)	Relevant Financial Centre(s):	[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], [●]/[Not Applicable]
(xiii)	Relevant Time:	[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], [●]/[Not Applicable]
(xiv)	Quotation Rounding:	[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], rounded to the nearest [●] decimal place
(xv)	Fallback Determination of Reference Rate:	[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], [Reference Banks Quotation]/[Previous Day Rate]
(xvi)	Additional Disruption Event(s):	[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate]:]
(xvii)	Change in Law:	[Applicable]/[Not Applicable]
(xviii)	Hedging Disruption:	[Applicable]/[Not Applicable]
(xix)	Increased Cost of Hedging:	[Applicable]/[Not Applicable]
(xx)	Insolvency Filing:	[Applicable]/[Not Applicable]
(xxi)	Failure to Deliver:	[Applicable]/[Not Applicable]
(xxii)	Reduced Number of Shares:	[Applicable]/[Not Applicable]
(xxiii)	Initial Fixing Date:	[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], [●]/[Not Applicable]
(xxiv)	Initial Fixing Level:	[[[●], being, in]/[In] respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], the Screen Rate on the [Initial Fixing Date] [for such Reference Rate]/[Not Applicable]
(xxv)	Final Fixing Date:	[[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], [●]/[Not Applicable]
(xxvi)	Final Fixing Level:	[[In respect of the Final Fixing Date and <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], the Screen Rate on the Final Fixing Date]/[Not Applicable]
		[In respect of <i>[Insert name of relevant Reference Rate]</i> /[[the]/[each] Reference Rate], the [lowest]/[Average] of the Screen

- Rate on each Final Fixing Averaging Date
[for such Reference Rate]]/[Not Applicable]
- (e) Fixed Coupon Provisions: [Applicable [in respect of Coupon Payment Date Set [●]]/[Not Applicable]
- (Repeat as necessary for each Set of Coupon Payment Dates)*
- (If Not Applicable delete the remaining subparagraph of this paragraph)*
- (i) Coupon Style: [Coupon Accrual]/[Coupon Amount]
- (ii) Coupon Accrual Provisions: [Applicable]/[Not Applicable] *(Applicable if Coupon Style is Coupon Accrual. If Not Applicable delete the remaining subparagraphs of this paragraph)*
- [- Coupon Rate: [Indicatively,][●] per cent., subject to a minimum of [●] per cent. [and a maximum of [●] per cent.]] [per annum]
- Coupon Period: [Not Applicable]/[Each of the following: [From, [and including]/[but excluding] [●] to, [and including]/[but excluding] [●]] *(Repeat as necessary for each Coupon Period)*]/[As specified in the definition of 'Coupon Period' in Payout Condition 1.3 - [Adjusted]/[Unadjusted]]
- (iii) Coupon Amount Provisions: [Applicable]/[Not Applicable] *(Applicable if Coupon Style is Coupon Amount. If Not Applicable delete the remaining subparagraphs of this paragraph)*
- [- Specified Fixed Coupon Amount: [In respect of [the]/[each] Coupon Payment Date [in Coupon Payment Date Set [●]], [●]]/[In respect of a Coupon Payment Date [falling in a Set of Coupon Payment Dates], the amount set forth in the column entitled 'Fixed Coupon Amount(s)' in the same row as such Coupon Payment Date in the Coupon Payment Table [for such Set of Coupon Payment Dates] below]
- (Repeat as necessary for each Set of Coupon Payment Dates)]*
- (f) Day Count Fraction: [Actual/Actual – ISDA]
[Actual/ 365 (Fixed)]
[Actual/365]
[Actual/360]
[30/360]
[30E/360]
[Eurobond Basis]
[Actual/Actual – ICMA]
- [- Regular Period: [each period from [●] (including) to [●] (excluding) [●]]
(Insert only in case of Actual/Actual – ICMA)]

[Insert if appropriate: **Coupon Payment Table [for Coupon Payment Date Set [●]]***

[Coupon Observation Date(s)]

Coupon Payment Date(s)

[●]

[●]

(Insert date, repeat as appropriate)]

(Insert date, repeat as appropriate)

(*insert, if required, additional columns: 'Specified Fixed Coupon Amount', 'Coupon Period Start Date', 'Coupon Period End Date', 'Coupon Margin', 'Coupon Cap', 'Coupon Floor', 'Coupon Multiplier'. Repeat as necessary for each Set of Coupon Payment Dates)

22. **Issuer Call Option Provisions:** [Applicable]/[Not Applicable] (If Not Applicable delete the remaining sub-paragraphs of this paragraph)
- (a) Redemption at: [Redemption Amount]/[Issuer Call Option Redemption Amount]/[Liquidation Amount]
- (b) Issuer Call Option Exercise Date(s): [Each Business Day falling after the Issue Date]/[●]/[Each date specified in the column entitled 'Issuer Call Option Exercise Date(s)' in the Issuer Call Option Table below]/[Not Applicable]
- (c) Issuer Call Option Notice Period: [[●] Business Day[s]]/[Not Applicable]
- (d) Final Fixing Date: [Not Applicable]/[In respect of each Product for which the Issuer has exercised its Issuer Call Option, the day specified as the Final Fixing Date in the Issuer Call Option Redemption Notice]
- (e) Redemption Date: [Not Applicable]/[In respect of each Product for which the Issuer has exercised its Issuer Call Option, the Issuer Call Option Redemption Date]
- (f) Issuer Call Option Redemption Date: [[●] Business Days following the Final Fixing Date]/[●]/[In respect of an Issuer Call Option Exercise Date, the date set forth in column entitled 'Issuer Call Option Redemption Date(s)' in the row corresponding to such Issuer Call Option Exercise Date in the Issuer Call Option Table below]
- (g) Issuer Call Option Redemption Amount: [Not Applicable]/[●]

[Insert if appropriate: **Issuer Call Option Table**]

Issuer Call Option Exercise Date(s)

Issuer Call Option Redemption Date(s)

[●]

[●]

(Insert date, repeat as appropriate)

(Insert date, repeat as appropriate)

23. **Payout Style:** [Credit Linked Products]/[Credit Linked Products with an Underlying Component]
24. **Redemption Provisions:**

-
- (a) Type of Credit Linked Products: [Single Name CLP]/[Basket CLP]/[Credit Index CLP]
- (b) Payout Style: [Credit Linked Products]/[Credit Linked Products with an Underlying Component]
- (c) Redemption Amount: [At Par Redemption Amount]/[Variant 1 (single Underlying, bullish)]/[Variant 2 (single Underlying, bullish)]/[Variant 3 (single Underlying, bullish)]/[Variant 4 (single Underlying, bullish)]/[Variant 5 (single Underlying, bearish)]/[Variant 6 (single Underlying, bearish)]/[Variant 7 (single Underlying, bearish)]/[Variant 8 (single Underlying, bearish)]/[Variant 9 (single Underlying, bearish)]/[Variant 10 (basket Underlying, bullish)]/[Variant 11 (basket Underlying, bullish)]/[Variant 12 (basket Underlying, bearish)]/[Variant 12 (basket Underlying, bearish)]
- (i) Reference Level: [●]
- (ii) Strike Level: [[In respect of [the]/[each] Underlying[s],] [Indicatively,][●] per cent., subject to a minimum of [●] per cent. [and a maximum of [●] per cent.]] of the Initial Fixing [Basket] Level [of such Underlying]]/[Not Applicable]
- (iii) Participation: [Indicatively,][●] per cent., subject to a minimum of [●] per cent. [and a maximum of [●] per cent.]]/[Not Applicable]
- (iv) Cap Level: [[●] per cent.] / [Not Applicable]
- (v) Product Direction: [Bullish]/[Bearish]/[Not Applicable]
- (vi) Inverse Percentage: [Indicatively,][●] per cent., subject to a minimum of [●] per cent. [and a maximum of [●] per cent.]]
- (d) Liquidation Amount: [Regular Recovery]/[Fixed Recovery]/[Zero Recovery]
25. **Credit Linked Conditions:**
- (a) Trade Date: [●]/[Not Specified]
- (b) Reference Entity: [●]/[see Reference Entity Table below]
- Reference Entity Weighting: [●]/[see Reference Entity Table below]/[Not Specified]
- (do not specify in case of a single Reference Entity (Product Type 1, 2 and 3))
- Reference Entity Notional Amount: [●]/[see Reference Entity Table below]
- (c) Credit Index: [●]/[Not Applicable]
- Credit Index Annex Date: [●]

- Credit Index Publisher: [●]
- Credit Index Sponsor: [●]
- (d) Transaction Type: [Standard North American Corporate]/[Standard European Corporate]/[Standard European Financial Corporate]/[Standard European CoCo Financial Corporate]/[Standard European Senior Non-Preferred Financial Corporate]/[Standard Subordinated European Insurance Corporate]/[Standard Emerging European Corporate LPN]/[Standard Emerging European Corporate]/[Standard Latin American Corporate BL]/[Standard Australia [Financial] Corporate]/[Standard New Zealand [Financial] Corporate]/[Standard Japan [Financial] Corporate]/[Standard Singapore [Financial] Corporate]/[Standard Asia [Financial] Corporate]/[Standard Sukuk Corporate]/[Standard Western European Sovereign]/[Standard Latin America Sovereign]/[Standard Emerging European & Middle Eastern Sovereign]/[Standard Australia Sovereign]/[Standard New Zealand Sovereign]/[Standard Japan Sovereign]/[Standard Singapore Sovereign]/[Standard Asia Sovereign]/[Standard Sukuk Sovereign]/[●]/[As specified in the Reference Entity Table]

[Insert if appropriate: Reference Entity Table]

[i]	Reference Entity:	[Reference Entity Notional Amount:]	[Bloomberg Ticker:] [●]	Transaction Type:	[Reference Entity Weighting:]]
[●]	[●]	[●]	[●]	[●]	[●]

(Repeat as necessary in respect of each entity if multiple Reference Entities)

- (e) Credit Event: [Bankruptcy]/[Failure to Pay]/[Obligation Acceleration]/[Obligation Default]/[Repudiation/Moratorium]/[Restructuring]/[Governmental Intervention]

(Repeat as necessary in respect of each entity if multiple Reference Entities)

- (i) Grace Period Extension: [Applicable]/[Not Applicable]
- Grace Period: [●]/[Not Specified]
- (ii) Payment Requirement: [●]/[Not Specified]
- (iii) Default Requirement: [●]/[Not Specified]

-
- | | | | |
|------|--|---------------|---|
| (iv) | Credit Requirement: | Deterioration | [Applicable]/[Not Applicable] |
| (v) | Multiple Holder Obligation: | | [Applicable]/[Not Applicable] |
| | | | <i>(Delete the following sub-paragraphs if Restructuring is not the only Credit Event specified)</i> |
| (f)' | Interest Expiration Date: | | [Credit Event Accrued Interest Applicable]/[Credit Event Accrued Interest Not Applicable] |
| (g) | Extension Interest: | | [Applicable]/[Not Applicable] |
| (h) | Financial Reference Entity Terms: | | [Applicable]/[Not Applicable] |
| (i) | Senior Product: | | [Applicable]/[Not Applicable] |
| (j) | Subordinated Product: | | [Applicable]/[Not Applicable] |
| (k) | Accrued Interest: | | [Include Accrued Interest applicable]/[Exclude Accrued Interest applicable]/[Not Specified] |
| (l) | Publicly Available Information: | | [Applicable]/[Not Applicable] |
| | (i) Specified Number | | [2]/[●]/[Not Specified] |
| | (ii) Public Source | | [Specify relevant source] |
| (m) | Obligation: | | |
| | (i) Obligation Category: | | [Payment]/[Borrowed Money]/[Reference Obligation Only]/[Bond]/[Loan]/[Bond or Loan]/[Reference Obligations Only] |
| | (ii) Obligation Characteristics: | | [Not Subordinated]/[CLP Specified Currency]/[Not Sovereign Lender]/[Not Domestic Currency]/[Not Domestic Law]/[Listed]/[Not Domestic Issuance]/[Not Applicable] |
| | (iii) CLP Specified Currency: | | [●]/[Not Specified] |
| | (iv) Excluded Obligations: | | [●]/[Not Specified] |
| | (v) All Guarantees: | | [Applicable]/[Not Applicable] |
| | (vi) Monoline Provisions: | | [Applicable]/[Not Applicable] |
| | (vii) Additional Provisions for CoCo CLP | | [Applicable]/[Not Applicable] |
| | - Trigger Percentage: | | [●]/[Not Specified] |
| | (viii) Fallback Discounting: | | [Applicable]/[Not Applicable] |
| (n) | Reference Obligation: | | |
| | (i) Standard Reference Obligation: | | [Applicable]/[Not Applicable] |

- (ii) Non-Standard Reference [Applicable]/[Not Applicable]/[Specify]
Obligation:
- (iii) Seniority Level: [Senior Level]/[Senior Non-Preferred Level]/[Subordinated Level]/[Not Specified]
- (iv) Additional Obligation: [●]/[Not Applicable]
(specify Standard Emerging European Corporate LPN)
(Repeat as necessary in respect of each entity if multiple Reference Entities)
- (o) Additional Disruption Event(s): In respect of [Insert name of relevant Reference Entity]/[the]/[each] Reference Entity:
(Repeat as necessary for each Reference Entity)
- (i) Change in Law: [Applicable]/[Not Applicable]
- (ii) Hedging Disruption: [Applicable]/[Not Applicable]
- (iii) Increased Cost of Hedging: [Applicable]/[Not Applicable]
- (p) Calculation Agent City: [●]/[Not Specified]

Provisions relating to the Underlying(s)

Underlying Table

[i]	[Underlying(s):]	[Bloomberg Code:]	[ISIN:]	[[Underlying] Initial Fixing Date:]	[●] <i>(Insert relevant Level as defined in the relevant Payout Conditions and as specified in this Pricing Supplement. Repeat as necessary.)</i>	[Exchange(s)]/[Price Source(s)]/[Screen Page(s)]/[Reference Market(s)]/[Index Sponsor(s)]/[Service Provider(s)][:]
[●]	[●]	[●]	[●]	[●]	[●]	[●]

(Repeat as necessary or remove in case there is no Underlying.)

26. **Share Linked Conditions:** [Applicable – the Products are Share Linked Products]/[Not Applicable] *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Share(s): [Insert name of relevant Share]/[Each share set forth in the Underlying Table above in the column entitled 'Underlying(s)']

[Bloomberg Code: [●]]

[ISIN: [●]]

(Repeat as necessary for each Share)
- (b) Underlying Currency: [In respect of [Insert name of relevant Share]/[the]/[each] Share, [●]]/[Not Applicable]

- (Repeat as necessary for each Share)*
- (c) Exchange(s): [In respect of [*Insert name of relevant Share*]/[the]/[each] Share], [●]/[As set forth in the Underlying Table above in the column entitled 'Exchange(s)' in the row corresponding to the relevant Share]
- (Repeat as necessary for each Share)*
- (d) Additional Disruption Event(s): In respect of [*Insert name of relevant Share*]/[the]/[each] Share]:
- (Repeat as necessary for each Share)*
- (i) Change in Law: [Applicable]/[Not Applicable]
- (ii) Failure to Deliver: [Applicable]/[Not Applicable]
- (iii) Hedging Disruption: [Applicable]/[Not Applicable]
- (iv) Increased Cost of Hedging: [Applicable]/[Not Applicable]
- (v) Insolvency Filing: [Applicable]/[Not Applicable]
- (vi) Reduced Number of Shares: [Applicable]/[Not Applicable]
- [- Relevant Number of Shares: [●]] (*Delete if Reduced Number of Shares is specified as Not Applicable*)
- (e) Maximum Days of Disruption: [Eight Scheduled Trading Days as specified in Share Linked Condition 5 (*Definitions*)/ [●]] (*specify number of days*)
- (f) Initial Fixing Date: In respect of [*Insert name of relevant Share*]/[the]/[each] Share], [●]
- (Repeat as necessary for each Share)*
- (g) Initial Fixing Level: [[[●], being, in]/[In] respect of [*Insert name of relevant Share*]/[the]/[each] Share], the [Closing Share Price]/[Volume Weighted Average Price]/[Opening Share Price]/[Intraday Price at any time] on the [Initial Fixing Date] [for such Share]]
- (Repeat as necessary for each Share)*
- (h) Final Fixing Date: [In respect of [*Insert name of relevant Share*]/[the]/[each] Share], [●]]
- (Repeat as necessary for each Share)*
- (i) Final Fixing Level: [In respect of the Final Fixing Date and [*Insert name of relevant Share*]/[the]/[each] Share], [Opening Share Price]/[Closing Share Price]/[Volume Weighted Average Price]/[Intraday Price at any time] on the Final Fixing Date]]
- [In respect of [*Insert name of relevant Share*]/[the]/[each] Share], the [lowest]/[Average] of the [Closing Share

Price]/[Volume Weighted Average Price]/[Opening Share Price]/[Intraday Price at any time] on each Final Fixing Averaging Date [for such Share]]

(Repeat as necessary for each Share)

(Insert the following sub-paragraph if required for the definition of Final Fixing Level)

27. Index Linked Conditions:

[Applicable – the Products are Index Linked Products]/[Proprietary Index]/[Not Applicable] *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Index(ices): [Insert name of relevant Index]/[Each index set forth in the Underlying Table above in the column entitled 'Underlying(s)']

[Bloomberg Code: [●]]

(Repeat as necessary for each Index)

(b) Underlying Currency: [In respect of [Insert name of relevant Index]/[the]/[each] Index], [●]/[Not Applicable]

(Repeat as necessary for each Index)

(c) Index Sponsor(s): [In respect of [Insert name of relevant Index]/[the]/[each] Index], [●]/[As set forth in the Underlying Table above in the column entitled 'Index Sponsor(s)' in the row corresponding to the relevant Index]

(Repeat as necessary for each Index)

(d) Additional Disruption Event(s): In respect of [Insert name of relevant Index]/[the]/[each] Index]:

(Repeat as necessary for each Index)

(i) Change in Law: [Applicable]/[Not Applicable]

(ii) Hedging Disruption: [Applicable]/[Not Applicable]

(iii) Increased Cost of Hedging: [Applicable]/[Not Applicable]

(e) Maximum Days of Disruption: [Eight Scheduled Trading Days as specified in Index Linked Condition 6 (Definitions)/ [●] (specify number of days)]

(f) Initial Fixing Date: In respect of [Insert name of relevant Index]/[the]/[each] Index], [●]

(Repeat as necessary for each Index)

(g) Initial Fixing Level: [[●], being, in]/[In] respect of [Insert name of relevant Index]/[the]/[each] Index], the [Closing Index Level]/[Opening Index Level]/[Exchange Delivery Settlement

		Price]/[Intraday Level at any time] on the [Initial Fixing Date [for such Index]] (Repeat as necessary for each Index)
(h)	Final Fixing Date:	[In respect of [Insert name of relevant Index]/[[the]/[each] Index], [●]] (Repeat as necessary for each Index)
(i)	Final Fixing Level:	[In respect of the Final Fixing Date and [Insert name of relevant Index]/[[the]/[each] Index], [Closing Index Level]/[Opening Index Level]/[Exchange Delivery Settlement Price]/[Intraday Level at any time] on the Final Fixing Date] In respect of the [Insert name of relevant Index]/[[the]/[each] Index], the [lowest]/[Average] of the [Closing Index Level]/[Opening Index Level]/[Exchange Delivery Settlement Price]/[Intraday Level at any time] on each Final Fixing Averaging Date [for such Index]] (Repeat as necessary for each Index) (Insert the following sub-paragraph as required for the definition of Final Fixing Level)
28.	ETF Linked Conditions:	[Applicable – the Products are ETF Linked Products]/[Not Applicable] (If Not Applicable, delete the remaining sub- paragraphs of this paragraph)
(a)	ETF Share(s):	[Insert name of relevant ETF Share]/[Each ETF share set forth in the Underlying Table above in the column entitled 'Underlying(s)'] [Bloomberg Code: [●]] (Repeat as necessary for each ETF Share)
(b)	Underlying Currency:	[In respect of [Insert name of relevant ETF Share]/[[the]/[each] ETF share], [●]]/[Not Applicable]
(c)	Fund:	In respect of [Insert name of relevant ETF Share]/[[the]/[each] ETF Share], [●] (Repeat as necessary for each ETF Share)
(d)	Exchange(s):	[In respect of [Insert name of relevant ETF Share]/[[the]/[each] ETF Share], [●]]/[As set forth in the Underlying Table above in the column entitled 'Exchange(s)' in the same row as the relevant ETF Share] (Repeat as necessary for each ETF Share)

- (e) Fund Reference Index: In respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share], [●]
- Fund Reference Index Sponsor: In respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share], [●]
- (Repeat as necessary for each ETF Share)
- (f) Management Company: In respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share], [●]
- (Repeat as necessary for each ETF Share)
- (g) Additional Disruption Event(s): In respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share]:
- (Repeat as necessary for each ETF Share)
- (i) Change in Law: [Applicable]/[Not Applicable]
- (ii) Hedging Disruption: [Applicable]/[Not Applicable]
- (iii) Increased Cost of Hedging: [Applicable]/[Not Applicable]
- (h) Maximum Days of Disruption: [Eight Scheduled Trading Days as specified in ETF Linked Condition 5 (Definitions)/ [●] (specify number of days)]
- (i) Initial Fixing Date: In respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share], [●]
- (Repeat as necessary for each ETF Share)
- (j) Initial Fixing Level: [[●], being, in]/[In] respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share], the [Closing Price]/[Opening Price]/[Intraday Price at any time]/[the NAV] on the [Initial Fixing Date] [for such ETF Share]
- (Repeat as necessary for each ETF Share)
- (k) Final Fixing Date: [In respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share], [●]]
- (Repeat as necessary for each ETF Share)
- (l) Final Fixing Level: [In respect of the Final Fixing Date and [Insert name of relevant ETF Share]/[the]/[each] ETF Share], the [Closing Price]/[Opening Price]/[Intraday Price at any time]/[the NAV] on the Final Fixing Date]
- [In respect of [Insert name of relevant ETF Share]/[the]/[each] ETF Share], the [lowest]/[Average] of the [Closing Price]/[Opening Price]/[Intraday Price at any time]/[the NAV] on each Final Fixing Averaging Date [for such ETF Share]]
- (Repeat as necessary for each ETF Share)

(Insert the following sub-paragraph if required for the definition of Final Fixing Level)

General provisions	
29. Form of Products:	[Global Euroclear/Clearstream Securities] [Temporary Global Bearer Security exchangeable for a Permanent Global Bearer Security which is exchangeable for Definitive Bearer Securities upon an Exchange Event] <i>[Insert if applicable for Euroclear/Clearstream Securities]</i> [Permanent Global Bearer Security exchangeable for Definitive Bearer Securities upon an Exchange Event] <i>[Insert if applicable for Euroclear/Clearstream Securities]</i> [SIX SIS Securities issued in uncertificated form in accordance with article 973c of the Swiss Code of Obligations] [SIX SIS Securities issued in the form of a permanent global certificate in accordance with article 973b of the Swiss Code of Obligations] [Uncertificated SIX SIS Securities]
30. Prohibition of Sales to EEA Retail Investors:	[Applicable – see the cover page of these Final Terms]/[Not Applicable]
31. Prohibition of Sales to UK Retail Investors	[Applicable]/ [Not Applicable]
32. Business Centre(s):	[●][Not Applicable]
33. Business Day Convention:	[Following] [Modified Following] [Nearest Preceding] [Modified Preceding] [No Adjustment]
34. Specified Number of Business Days:	[Three Business Days as specified in General Condition 21 (<i>Definitions and Interpretation</i>)]/ [●] (<i>specify number of days</i>)
35. Other Rounding Convention:	[Applicable]/[Not Applicable] (<i>If Not Applicable, delete the remaining sub-paragraphs of this paragraph</i>)
[- Specified Sub-Unit:	[[All amounts due and payable: rounded [downwards/upwards] to <i>[insert number]</i> decimal place[s]] [Not Applicable]
[- Specified Decimal Place:	[[<i>[Specify percentage or value]</i> : rounded [downwards/upwards] to next [higher/lower] <i>[insert number]</i>]] [Not Applicable]
36. Calculation Agent:	[Leonteq Securities AG]/[●]/[Not Specified]
37. Paying Agent:	[Leonteq Securities AG]/[●]

38. **Additional Agents:** [●]/[Not Applicable]
39. **Notices required to be delivered:** [●]/[Not Specified]
40. **Notice Website:** [●]
41. **[Name(s)] [and address(es)] of Lead Manager [and Dealer(s)] [and underwriting commitments]:** [Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland]
[●] [Not Applicable]
42. **Governing Law:** [Swiss law]

PART C – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (a) Listing and Admission to Trading: [Not Applicable]

[Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Products to be [listed] [on the Official List of] [and] [admitted to trading on] [the Regulated Market of] [(specify)] / [multi lateral trading facility of securitised derivative financial instruments (the "**SeDeX Market**") organised and managed by Borsa Italiana S.p.A.] / [multilateral trading facility EuroTLX (managed by Borsa Italiana S.p.A.)] / [Vorvel market segment of the multilateral trading facility Hi-Mtf (organised and managed by Vorvel SIM S.p.A.)] // [●]. [The Tranche [●] Products[, Tranche [●] Products] and Tranche [●] Products] were [listed and] [admitted to trading] on [the multi lateral trading facility of the SeDeX Market (organised and managed by Borsa Italiana S.p.A.)] / [the multilateral trading facility EuroTLX (managed by Borsa Italiana S.p.A.)] / [●] on or around [●], [●]] and [●], respectively]

[The Products shall not be fungible with the Tranche [●] Products [, the Tranche [●] Products] [or the Tranche [●] Products] until such time as the Products are [listed] [and] [admitted to trading] as indicated above.]

- (b) Estimate of total expenses related to admission to trading:¹ [[●]/[Not Applicable]]

2. RATINGS

Ratings: The Products have not been individually rated.

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

¹ Only required for products with a denomination of at least EUR 100,000.

[●]²[Not Applicable]

4. **REASONS FOR THE OFFER[,][AND] ESTIMATED NET PROCEEDS [AND TOTAL EXPENSES]**

- | | | |
|-----|--|--|
| (a) | Reasons for the offer: | [●][General funding] [Not Applicable] |
| (b) | Estimated net proceeds: | [●] [Not Applicable] ³ |
| (c) | Estimated total expenses: ⁴ | [●] [Not Applicable – there are no estimated expenses charged to the Investor by the Issuer] [Expenses shall be allocated by each major purpose and presented in order of priority of those purposes: [●]] |

[Insert in case of Final Terms:

5. **[PERFORMANCE OF [REFERENCE ENTITY[IES]] [AND] [UNDERLYING[S]], AND OTHER INFORMATION CONCERNING THE [REFERENCE ENTITY[IES]] [AND] [UNDERLYING[S]]]**

[●]

[[Bloomberg Screen][Reuters Screen Page] [●]: '[●]' [and] [www.[●]]

[Index Disclaimer[s]: [●]/[See Schedule hereto]]

6. **[[TERMS AND CONDITIONS OF THE OFFER]]⁵**

6.1 **Authorised Offer(s)**

- | | | |
|-----|--|--|
| (a) | Public Offer: | [Not Applicable]/[An offer of the Products may be made, subject to the conditions set out below by the Authorised Offeror(s) (specified in (b) immediately below) other than pursuant to Article 1(4) of the EU Prospectus Regulation in the Public Offer Jurisdiction(s) (specified in (c) immediately below) during the Offer Period (specified in (d) immediately below) subject to the conditions set out in the Securities Note and in (e) immediately below] |
| (b) | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place (together the " Authorised Offeror(s) "); | <p>Each financial intermediary specified in (i) and (ii) below:</p> <p>(i) Specific consent: [[●] (the "Initial Authorised Offeror(s)")]] [and each financial intermediary expressly named as an Authorised Offeror on the website of Leonteq Securities AG (www.leonteq.com)]; and</p> |

² Only include a description of any interests, including conflicting ones, that are material to the issue/offer, detailing the persons involved and the nature of the interest.

³ Not applicable in case of products, such as warrants, which do not have a Notional Amount.

⁴ Only required in case of public offer and only for products with a denomination of less than EUR 100,000.

⁵ Only required in case of public offer and only for products with a denomination of less than EUR 100,000.

- (ii) **General consent:** [Not Applicable]/[Applicable: each financial intermediary which (A) is authorised to make such offers under Directive 2014/65/EU, and (B) accepts such offer by publishing on its website the Acceptance Statement]
- (c) Jurisdiction(s) where the offer may take place (together, the "**Public Offer Jurisdictions(s)**"): [Luxembourg][,][and] [Italy]
- (d) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): [●] [Not Applicable]
- (e) Other conditions for use of the Base Prospectus by the Authorised Offeror(s): [●] [[●], in relation to those Authorised Offeror(s) specified in (b)(ii) above only] [Not Applicable]

6.2 Other terms and conditions of the offer

- (a) Offer Price: [The Issue Price]/[[●]]/[[●] (being the Issue Price *plus* an Initial Load of [●])]
- (b) Total amount of offer: [●] [Not Applicable]
- (c) Conditions to which the offer is subject: [●] [Not Applicable]
- (d) Time period, including any possible amendments, during which the offer will be open and description of the application process: [●] [Not Applicable]
- (e) Description of the application process: [●] [Not Applicable]
- (f) Details of the minimum and/or maximum amount of application: [The [minimum]/[maximum] amount of application which can be subscribed by the relevant Investors is [●]] [There is no [minimum]/[maximum] amount of application] [Not Applicable] [●]
- (g) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [●] [Not Applicable]
- (h) Details of method and time limits for paying up and delivering the Products: [●] [Not Applicable]
- (i) Manner in and date on which results of the offer are to be made public: [●] [Not Applicable]
- (j) Whether tranche(s) have been reserved for certain countries: [●] [Not Applicable]
- (k) Process for notification to applicants of the amount allotted and indication

whether dealing may begin before notification is made:

- (l) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [●] [Not Applicable]
- (m) Product specific initial costs, inducements/fees contained in the Issue Price: [●] [The product specific initial costs contained in the issue price amount to [approx.] *[Insert details]*.]/[The inducements contained in the Issue Price amount to [approx.] *[Insert details]*.]/[The Issuer and/or the Lead Manager may offer the Exempt Products to FIs (i) at a discount or (ii) at the Issue Price but transfer to FIs some [Relevant Fees]/[Significant Fees]/[Substantial Fees]/[●] *(include only in case of Exempt Offers)*] [Not Applicable]
- (n) Name(s) and address(es), legal entity identifier, domicile, legal form and country of incorporation, to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [●] [Not Applicable]

]

7.⁶

BENCHMARK REGULATION:

[Include if applicable: [Specify benchmark] is provided by [administrator legal name] [repeat as necessary]. [As at the date of these Final Terms, [administrator legal name] [appears]/[does not appear] [repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of the Benchmarks Regulation.] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [administrator legal name], being located outside the European Union, is not currently required to obtain recognition, endorsement or equivalence).]/[Not Applicable]

⁶ Adjust number in case of a Pricing Supplement to 5.

DESCRIPTION OF TCM ("TRIPARTY COLLATERAL MANAGEMENT") SECURED PRODUCTS

1. *Introduction*

Each TCM Secured Product is secured by collateral (the "**Collateral**") provided by Leonteq Securities AG (in such capacity, the "**Collateral Provider**") in accordance with the terms of the TCM Security Agreement (as defined below under the heading '*Documentation*'). The Collateral Provider undertakes to secure the value of the TCM Secured Products at any given time.

Each Investor in a TCM Secured Product is a "**Collateral Taker**" in respect of such TCM Secured Product and are represented by SIX Repo AG as the "**Collateral Agent**" (as described in detail below under the heading '*Documentation*'). Each Collateral Taker has a security interest in the sense of Art. 25 FISA regarding intermediated securities and a lien according to article 899 et seq. of the Swiss Civil Code regarding the cash, each as provided as Collateral to secure the TCM Secured Product. In respect of each TCM Secured Product, the Collateral is booked to an account of the Collateral Provider with SIX SIS AG (such account, the "**Collateral Account**"). SIX SIS AG, acting as an independent third party, manages both the Collateral Account and the collateral assignment for the relevant TCM Secured Product.

The Collateral Provider has no right to dispose of the Collateral in the Collateral Account or to close or transfer the Collateral Account. The Collateral is valued by SIX SIS AG several times on each day banks are open for business in Zurich (a "**Business Day**").

The Collateral required for the TCM Secured Products is determined by SIX SIS AG on the basis of the price information (a) provided by the Issuer and (b) published in the market information system of SIX Financial Information AG. The Collateral Provider shall be obliged to adjust the Collateral to account for any changes in value of the TCM Secured Product (for further detail please refer to the section below under the heading '*Collateralisation Method*'). Permitted types of collateral shall be selected by SIX SIS AG on an ongoing basis. At the date of this Securities Note, the TCM Security Agreement provides that the following are permitted types of collateral: cash deposits in specified currencies (e.g. in CHF, EUR, USD, GBP, or JPY) and certain types of securities (e.g., securities that directly or indirectly aggregate to the value of the relevant TCM Secured Product). Securities may only be used as collateral if the price is not older than four Business Days. The Collateral Provider shall, upon request at any given time, inform Investors about the Collateral that is eligible. The costs for the collateralisation of the TCM Secured Products will be included in the issue price and will not be billed separately to investors.

2. *Documentation*

The collateralisation in favour of the Collateral Taker with regard to the TCM Secured Product issued by the Issuer is based on a security agreement between the Issuer (who is also the Collateral Provider), the Collateral Taker (represented by the Collateral Agent) and SIX SIS AG as amended or replaced from time to time (the "**TCM Security Agreement**"). The Issuer shall, upon request, provide a copy of the TCM Security Agreement to Investors free of charge. The TCM Security Agreement may be obtained from Issuer at Europaallee 39, CH-8004 Zurich, via telephone (+4158 800 1111), via fax (+4158 800 1010) or via e-mail (termsheet@leonteq.com).

Under the terms of the TCM Security Agreement, the Issuer is responsible for issuing and pricing the TCM Secured Product. The Issuer is, at the same time, the Collateral Provider and, to that extent, is responsible for selecting the Collateral available for a deposit from the permitted types of collateral. Furthermore, the Collateral Provider provides collateral to the SIX SIS AG as custodian (the "**Custodian**"), and grants a lien in favour of the Collateral Taker with regard to the Collateral.

The Collateral Taker is the Investor in the TCM Secured Product under the TCM Security Agreement. The Collateral Taker is the beneficiary for any proceeds from the sale of the Collateral provided as security for a TCM Secured Product if a Realization Event occurs. By purchasing a TCM Secured Product, the Collateral Taker agrees to exercise its rights under the TCM Security Agreement solely through the Collateral Agent. The acquisition of a TCM Secured Product by an Investor is automatically accompanied by a declaration to the Collateral Agent, as its representative, that the Collateral Agent may exercise the Investor's rights under the TCM Security Agreement in the event of a Realization Event. Investors are bound by the provisions of the TCM Security Agreement and particularly the choice of

Swiss law and the exclusive jurisdiction of the courts of the Canton of Zurich (Switzerland) vis-à-vis the Collateral Agent and SIX SIS AG.

The Collateral Agent acts in accordance with the TCM Security Agreement as the direct representative of the Collateral Taker and acts on behalf of and in the Collateral Taker's name. In the case of a Realization Event, the Collateral Agent will use the collateral in favour of the Collateral Taker (see below under the heading '*Liquidation of Collateral*').

SIX SIS AG acts as Custodian under the TCM Security Agreement, and is responsible for the administration of the Collateral Account on which the Collateral is booked. SIX SIS AG acts, in this regard, as a neutral and independent service provider and is not subject to the directions of the Collateral Provider as the account holder. Furthermore, SIX SIS AG shall act as an administrator under the TCM Security Agreement (the "**Administrator**") and will monitor and manage the Collateral assigned to the individual TCM Secured Product. The Administrator calculates the collateral requirements for a TCM Secured Product several times throughout each Business Day, and automatically assigns additional assets held by the Collateral Provider with the Custodian in a pool account ("**Pool Account**") to the Collateral Account, if necessary. If the assets held on the Pool Account are not sufficient, the Administrator informs the Issuer that additional Collateral must be provided. Furthermore, the Collateral Provider will inform the Collateral Agent if Realization Event has occurred.

3. **Collateralisation Method**

The collateral that must be furnished by the Collateral Provider is determined by the value of the TCM Secured Product at any given time (the "**Current Value**"). The Current Value of the TCM Secured Product is calculated exclusively by, and with full responsibility of, the Collateral Provider in accordance with acknowledged accounting principles. Neither the Collateral Agent, nor SIX SIS AG nor SIX Financial Information AG recalculates or otherwise reviews the calculation of the Current Value. The Current Value is communicated by the Collateral Provider to SIX Financial Information AG who will then publish the Current Value. SIX SIS AG calculates whether the coverage requirements for the Collateral on the basis of the Current Value as published by SIX Financial Information AG are met. Neither the Collateral Agent, nor SIX SIS AG nor SIX Financial Information AG shall be liable for any losses or damages suffered by any Collateral Taker as a consequence of an inaccurate calculation of the Current Value or of an inaccurate communication of such value to SIX Financial Information AG. The calculation method shall be determined for each TCM Secured Product upon its issuance and shall remain unchanged for its entire term. The Collateral provided for a Product will not secure any other TCM Secured Product.

4. ***Liquidation of Collateral***

A "**Realization Event**" will be deemed to have occurred if (i) the Collateral Provider fails to furnish the required collateral or fails to do so in due time, unless this is remedied within five (5) Business Days; (ii) the Issuer fails to pay the principal amount under the TCM Secured Product (but not any amount of interest, coupon or other intermediate payment) according to the Conditions when due, unless this is remedied within five (5) Business Days; or (iii) FINMA orders protective measures with regard to the Issuer or the Collateral Provider under article 26 paragraph 1 letter (f) or (h) of the Banking Act, or restructuring proceedings under article 28 et seq. of Banking Act or liquidation (winding-up proceedings) under article 33 et seq. of the Banking Act (each such event a "**Realization Event**"). The TCM Security Agreement provides for the exact time at which each Realization Event occurs. The remedy of a Realization Event is not possible.

5. ***Determination of a Realization Event***

The Collateral Agent is not required to undertake investigations with regard to the occurrence of a Realization Event. In determining the occurrence of a Realization Event, it bases its decision on reliable sources of information only. The Collateral Agent determines with binding effect for the Investors whether an incident qualifies as a Realization Event and at what point in time the Realization Event occurred.

6. ***Procedure in case of a Realization Event***

If a Realization Event occurs, the Collateral Agent is at its discretion entitled: (i) to make public the occurrence of a Realization Event immediately or at a later stage in suitable form; 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).

7. ***Maturity of the TCM Secured Product as well as investor claims against the Issuer***

The Collateral Taker shall have a security interest in accordance with article 25 of the Swiss Federal Intermediated Securities Act ("**FISA**") over the intermediated securities and a lien according to article 899 et seq. of the Swiss Civil Code over the cash, each as provided as Collateral to secure the TCM Secured Product. The Realization Event with regard to a TCM Secured Product will only trigger the consequences of a Realization Event for this particular TCM Secured Product (and not other TCM Secured Products of the Issuer). If a Realization Event with regard to a TCM Secured Product has occurred, the Collateral Agent will determine as the "**Liquidation Value**" of such TCM Secured Product the latest Current Value available prior to the occurrence of the Realization Event. This Liquidation Value shall be binding on the Collateral Provider and the Investors. Investors' claims against the Issuer will be based on this Liquidation Value when the TCM Secured Products mature in accordance with the TCM Security Agreement.

8. ***Costs of liquidation and payout for the benefit of the investors***

Any costs of the Collateral Agent, including in connection with the liquidation of the Collateral (including fees, taxes and duties that arise in conjunction with liquidation) shall, in advance, be covered out of the proceeds of the liquidation of the Collateral (the "**Liquidation Proceeds**"). In addition, the Collateral Agent shall be entitled to satisfy, in advance and out of the Liquidation Proceeds, any outstanding claims it holds against the Collateral Provider under the terms of the TCM Security Agreement. The remaining Liquidation Proceeds are available for payout to the Investors in the relevant TCM Secured Product. Each Investor's pro-rata share of the net Liquidation Proceeds will be paid to Investors via SIX SIS AG on a delivery versus payment basis. Once this payment has been made the Collateral Agent is released from all further obligations. The claim of the Investors is non-interest-bearing. Payment to Investors following the occurrence of a Realization Event may be only occur upon completion of the liquidation of the Collateral in accordance with the terms of the TCM Security Agreement. If the payment is delayed for any reason, the Collateral Agent and SIX SIS AG are not liable to pay either default interest or damages. Each TCM Secured Product will only be secured by the Collateral assigned on the Collateral Account to the respective TCM Secured Product. The Investors' claims against the Issuer in respect of the TCM Secured Product are reduced by the amount of the payment of the Net Liquidation Proceeds. No further Investors' claims exist against the Collateral Agent, SIX SIS AG or other persons which are involved in the collateralisation service for the TCM Secured Product under the terms of the TCM Security Agreement.

CLEARANCE AND SETTLEMENT

The information appearing below is based on the Issuers understanding of the rules and procedures of the relevant Clearing System as derived from public sources. These rules and procedures are subject to change.

Products held through a Relevant Clearing System

Transfers of Products which are held in a Relevant Clearing System may be effected only through the Relevant Clearing System(s) in which the Products to be transferred are held. Title will pass upon registration of the transfer in the books of the Relevant Clearing System(s) and in accordance with the local laws, regulations and/or rules governing such Relevant Clearing Systems.

Beneficial interests in the Global Euroclear/Clearstream Securities will be shown on, and transfers thereof will be effected through, records maintained by the Relevant Clearing System(s) and its respective participants.

Euroclear/Clearstream, Luxembourg

Euroclear/Clearstream, Luxembourg have published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Euroclear/Clearstream Securities among participants and accountholders of Euroclear/Clearstream, Luxembourg. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Paying Agent or the Lead Manager will be responsible for any performance by Euroclear/Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Products represented by Global Euroclear/Clearstream Securities or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Euroclear/Clearstream, Luxembourg hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear, Clearstream, Luxembourg provides various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear/Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear/Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear/Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear/Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Monte Titoli

Monte Titoli S.p.A. ("**Monte Titoli**") is an Italian public limited liability company which manages account operations and clearing activities for the Italian financial market. Monte Titoli is an authorised securities register pursuant to article 80 of the Italian Legislative Decree No. 58 of 24th February, 1998 as amended from time to time ("**Italian Financial Services Act**"). Monte Titoli is part of the London Stock Exchange Group.

SIX SIS AG

SIX SIS AG is part of SIX Group.

As both a central securities depository and an international central securities depository, SIX SIS AG offers banks and other financial market participants the safe custody of securities, a full range of custody services and the settlement of securities transactions. SIX SIS AG settles securities transactions worldwide, including transactions in uncertificated securities.

In the Swiss market, SIX SIS AG is part of the so-called Swiss value chain. The links to SIX Swiss Exchange AG and the payment systems SIC/euroSIC, ensure fully automated settlement in central bank money.

TAXATION

Investors should be aware that the tax legislation of the country in which the Investor is resident and of the Issuer's country of incorporation may have an impact on the income received from the Products.

The level and basis of taxation on the Products and on the Investor depend on the Investors individual circumstances and could change at any time and may have an adverse impact on the return received by the investor under the Product.

1. *General taxation information*

Transactions involving Products (including purchases, transfers and/or redemptions), the accrual or receipt of any interest or premium payable on the Products, the delivery of any entitlement and the death of a holder of any Product may have tax consequences for Investors which may depend, amongst other things, upon the tax residence and/or status of the Investor, the terms and conditions of the particular Product and the relevant law and practice of taxation authorities in relevant jurisdictions. Investors are therefore advised to consult their own tax advisers as to the tax consequences of transactions involving Products and the effect of any tax laws in any jurisdiction in which they may be tax resident or otherwise liable to tax. In particular, no representation is made as to the manner in which payments under the Products would be characterised by any relevant taxing authority.

Purchasers and/or sellers of Products may be required to pay stamp taxes and other charges in addition to the issue price or purchase price (if different) of the Products and in connection with the transfer or delivery of any Underlying.

Investors are referred to General Condition 5.5 (*Taxes, Settlement Expenses and conditions to settlement*) and General Condition 6 (*Redemption*).

Terms defined in the sections below are defined for the purpose of the relevant section only.

2. *United States Taxation*

The following is an overview of certain of the material US federal income tax consequences of the acquisition, ownership and disposition of Products by a non-US holder that has no connection to the United States other than holding the Products. For purposes of this section, a "**non-US holder**" is a beneficial owner of Products that is: (a) a non-resident alien individual for US federal income tax purposes; (b) a foreign corporation for US federal income tax purposes; or (c) an estate or trust whose income is not subject to US federal income tax on a net income basis. If a partnership (including any entity treated as a partnership for US federal income tax purposes) holds Products, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Investors that are not non-US holders or investors that are partnerships, should consult their tax advisers with regard to the US federal income tax considerations of an investment in the Products.

This summary is based on interpretations of the US Internal Revenue Code of 1986 (the "**Code**"), Treasury regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any of those changes may be applied retroactively and may adversely affect the US federal income tax consequences described herein. Prospective investors should consult their own tax advisers concerning the application of US federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Products arising under the laws of any other taxing jurisdiction.

INVESTORS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE US FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF PRODUCTS.

Withholding Under Section 871(m)

Under section 871(m) of the Code and regulations thereunder, a payment on a financial instrument that directly or indirectly references a US company may be treated as a "dividend equivalent" payment from sources within the United States. Such payments generally will be subject to US withholding tax at a rate

of 30 per cent. The regulations provide that a payment includes a dividend equivalent payment whether there is an explicit or implicit reference to a dividend with respect to the underlying security. An underlying security is any interest in an entity if a payment with respect to that interest could give rise to a US source dividend. Certain exceptions may apply to an issue of Products that references an index that is treated as a "qualified index".

Final regulations and administrative guidance provide that with respect to a financial instrument issued on or after 1 January 2017 and before 1 January 2025, an instrument that has a delta of one with respect to an underlying security will be subject to withholding. With respect to a financial instrument issued on or after 1 January 2025, (a) a "simple" financial instrument that has a delta of 0.8 or greater with respect to an underlying security and (b) a "complex" financial instrument that meets the "substantial equivalence test" with respect to an underlying security will be subject to withholding under section 871(m). The delta of a simple instrument is determined, and the substantial equivalence test for a complex instrument is performed, on the earlier of the date that the financial instrument is priced and the date when the financial instrument is issued; however, the issue date must be used if the financial instrument is priced more than 14 calendar days before it is issued. In addition, the delta or substantial equivalence of Products that are sold or acquired after their initial issuance may, in certain cases, be required to be retested at the time of sale. If such Products are determined to be section 871(m) transactions, it is possible that all holders of Products, including holders of Products sold at their initial issuance, may be adversely affected if the Issuer or a withholding agent does not, or is unable to, identify and distinguish Products sold at initial issuance and thereafter.

Certain events may cause previously issued Products to be deemed to be new issuances for purposes of the effective dates provided in the regulations. For example, it is possible that the IRS could assert that a reconstitution or rebalancing of an underlying basket or index is a significant modification of a Product due to an exercise of discretion with respect to such reconstitution or rebalancing and a deemed reissuance upon the occurrence of such event. It is also possible that US withholding tax could apply to the Products under these rules if a holder enters, or has entered, into certain other transactions in respect of the underlying equity or the Products. A holder that enters, or has entered, into other transactions in respect of the underlying or the Products should consult its own tax advisor regarding the application of section 871(m) to its Products in the context of its other transactions.

Withholding on payments will be based on actual dividends or, if otherwise notified by the Issuer in accordance with applicable regulations, on estimated dividends used in pricing the Product. If a Product provides for any payments in addition to estimated dividends to reflect dividends on the underlying security, withholding will be based on total payments. If the Products are subject to withholding under section 871(m), information regarding the amount of each dividend equivalent and any other information necessary to apply the regulations in respect of such Products will be provided, communicated, or made available to holders of the Products in a manner permitted by the applicable regulations. Withholding tax may apply even where holders do not receive a concurrent payment on the Products in respect of dividends on a reference asset. US tax will be withheld on any portion of a payment or deemed payment on the Products treated as a dividend equivalent.

If payments on the Products are subject to withholding under section 871(m), the Issuer expects to withhold at 30 per cent. even if a holder is otherwise eligible for a reduction under an applicable treaty. Non-US holders that are entitled to a lower rate of withholding under a tax treaty may be able to claim a refund for any excess amounts withheld by filing a US tax return. However, holders may not receive the necessary information to properly claim a refund for any withholding in excess of the applicable treaty-based amount. In addition, the IRS may not credit a holder for withholding taxes remitted in respect of a Product for purposes of claiming a refund. Finally, a holder's resident tax jurisdiction may not permit the holder to take a credit for US withholding taxes related to dividend equivalent amounts. The Issuer will not pay any additional amounts with respect to amounts withheld.

The relevant Issue Terms may indicate if the Issuer has determined that a Product is subject to withholding under section 871(m). Although the Issuer's determination generally is binding on holders, it is not binding on the IRS. The IRS may successfully argue that a Product is subject to withholding under section 871(m), notwithstanding the Issuer's determination to the contrary. The section 871(m) regulations are extremely complex. Holders should consult their tax advisors regarding the US federal income tax consequences to them of section 871(m) and regulations thereunder, and whether payments or deemed payments on the Products constitute dividend equivalent payments.

Foreign Investment in Real Property Tax

Under Section 897 of the Code, commonly referred to as the US Foreign Investment in Real Property Tax Act ("**FIRPTA**"), a Non-US Holder may be subject to US federal income tax on a disposition of a United States real property interest (a "**USRPI**"). Very generally, a USRPI may be an interest in US real property or an interest in a United States real property holding corporation (a "**USRPHC**") within the meaning of Section 897 of the Code. However, an interest in a USRPHC that does not exceed generally 5 per cent. (10 per cent. in the case of a real estate investment trust) of the corporation's regularly traded stock is not a USRPI, after taking into account shares or interests of the underlying issuer that are directly, indirectly or constructively owned by such Non-US Holder. In addition, holding Products may also impact the taxation of such other shares or interests.

The Issuer will not attempt to ascertain whether an issuer of reference shares, or an issuer of shares that are components of an index or basket, is a USRPHC. If a Product is a USRPI, any gain from the disposition thereof generally would be subject to US federal income tax and required to be reported by the Non-US Holder on a US federal income tax return, and the amount realised on such disposition would in certain cases be subject to withholding at a rate of 15 per cent. Even if the Issuer does not withhold, there can be no assurance that a withholding agent will not withhold in respect of a Product. A Non-US Holder may have US income tax liability that exceeds amounts withheld, if any. Neither the Issuer nor a withholding agent will pay any additional amounts in respect of amounts withheld or any tax liability arising under section 897 of the Code. Non-US Holders should consult with their tax advisors regarding the application of section 897 to an investment in the Products.

US Federal Estate Tax

Products may be subject to US federal estate tax if an individual holds the Products at the time of his or her death. The gross estate of a holder domiciled outside the United States includes only property situated in the United States. Holders should consult their tax advisors regarding the US federal estate tax consequences of holding the Products at death.

Backup Withholding and Information Reporting

A holder may be subject to backup withholding with respect to certain amounts paid to such holder unless it provides a correct taxpayer identification number, complies with certain certification procedures establishing that it is not a US person or establishes proof of another applicable exemption, and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. A holder can claim a credit against its US federal income tax liability for amounts withheld under the backup withholding rules, and amounts in excess of its liability are refundable if such holder provides the required information to the IRS in a timely fashion. A holder may also be subject to information reporting to the IRS with respect to certain amounts paid to such holder unless it (a) provides a properly executed IRS Form W-8 (or other qualifying documentation) or (b) otherwise establishes a basis for exemption. If such withholding applies, the Issuer will not be required to pay any additional amounts with respect to amounts withheld.

FATCA

Under sections 1471 through 1474 of the Code, any final current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, or any US or non-US fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code or any other non-US tax information reporting regimes ("**FATCA**"), a 30 per cent. withholding tax may be imposed on "withholdable payments" and certain "passthru payments" made to (a) a "foreign financial institution" unless the financial institution complies with, among other things, certain information reporting and withholding obligations with respect to its accounts in accordance with applicable rules, and (b) any other holder or beneficial owner that does not comply with the Issuer's or an intermediary financial institution's request for ownership certifications and identifying information. The failure to provide such information, or the failure of certain non-US financial institutions to comply with FATCA, may compel the Issuer or an intermediary to withhold 30 per cent. on payments on the Products to such holders. Neither the Issuer nor any other person will pay any additional amounts with respect to such withholding.

Withholding under FATCA applies currently to "withholdable payments" and with respect to "foreign passthru payments," will apply no earlier than the date that is two years after the date on which final US Treasury regulations defining "foreign passthru payments" are published. Notwithstanding the foregoing, the withholding provisions of FATCA discussed above generally will not apply to any obligation (other than an obligation that is treated as equity for US tax purposes or that lacks a stated expiration or term) that is outstanding on 30 June 2014 (a "grandfathered obligation"), unless the obligation is materially modified after such date.

The discussion above reflects recently proposed US Treasury regulations. The US Treasury have indicated that taxpayers may rely on the proposed regulations until final regulations are issued, and the discussion above assumes that the proposed regulations will be finalised in their current form.

No assurance can be given that payments on the Products will not be subject to withholding under FATCA. Each potential investor in Products should consult its own tax advisor to determine how FATCA may affect an investment in the Products in such investor's particular circumstance.

3. **Italian tax considerations**

The following is a general overview of certain Italian tax consideration relating to the Products and it does not in any way constitute, nor should it be relied upon as being, a tax advice or a tax opinion covering any or all of the relevant taxes connected to the purchase, ownership or disposal of the Products. It does not purport to be a complete analysis of all tax regimes that may be relevant to a decision to purchase, own or dispose of the Products and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of the Products, some of which may be subject to special rules. This overview is based upon Italian tax laws and published practice in effect as at the date of the Base Prospectus which may be subject to change could apply retroactively and could affect the continued validity of this summary.

With regard to certain innovative or structured financial instruments there is currently no case law as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax courts will adopt a view different from that outlined below. All of the following is subject to change, which change could apply retroactively and could affect the continued validity of this summary.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each client: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Products and receiving payments of interest, principal and/or other amounts under the Products, including in particular the effect of any state, regional or local tax laws.

This section does not address the potential tax consequences of the US Foreign Account Tax Compliance Act (FATCA) for Italian Investors. A FATCA withholding may affect payments on the Products.

The Products may be subject to different tax regimes depending on whether:

- (i) they represent derivative financial instruments; or
- (ii) they represent debt instruments implying a "use of capital" and do not guarantee the total reimbursement of the principal (atypical securities).

3.1 **Products representing derivative financial instruments**

(a) **Italian resident Investors**

Payments in respect of Products qualifying as derivative financial instruments for tax purposes as well as capital gains realised upon the sale for consideration or redemption of these Products by holders of Products which are (A) Italian resident companies or similar entities (including Italian permanent establishments of non-Italian residents to which the Products are effectively connected), (B) Italian

resident partnerships carrying out commercial activities or similar commercial entities (C) Italian resident individuals engaged in entrepreneurial activities to which the Products are effectively connected, are included in the taxable income of the holders of Products and are, therefore, subject to the Italian corporate income tax (IRES, currently levied at the rate of 24 per cent. - 27.5 per cent. rate in case the Investor is a credit or a financial institution other than a management company of an undertaking for collective investment or "*società di intermediazione mobiliare*" - SIM), or to the Italian personal income tax (IRPEF, currently levied at progressive rates between 23% up to 43% plus regional and municipal surtaxes), as the case may be, according to the ordinary rules. In certain cases, depending on the status of the Investor, such proceeds may also have to be included in its taxable base for regional income tax on business activities (IRAP, currently levied at the ordinary rate of 3.9 per cent., increased to 4.65 per cent. and 5.90 per cent. in case, respectively, of banks and other financial institutions and insurance companies. IRAP rate may be increased up to 0.92 per cent. by Italian Regions).

Payments in respect of Products qualifying as derivative financial instruments as well as capital gains realised upon the sale for consideration or redemption of these Products by (A) Italian resident individuals not engaged in entrepreneurial activities to which the Products are effectively connected, (B) an Italian partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities or professional associations or (C) an Italian private or public institution not carrying out mainly or exclusively commercial activities, are subject to a substitute tax (*imposta sostitutiva*) currently at rate of 26 per cent.. In respect of the application of the substitute tax, the holders of Products listed above may opt for one of the three regimes described below:

- (A) under the tax declaration regime (the "**Tax Declaration Regime**"), which is the standard regime for the taxation of capital gains, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all payments in respect of Products and all capital gains, net of any incurred capital loss of the same nature, realised pursuant to all sales or redemptions of the Products carried out during any given tax year. The overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, must be reported in the annual tax return and the *imposta sostitutiva* must be paid on such gains together with any balance income tax due for the relevant year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years;
- (B) as an alternative to the Tax Declaration Regime, the holders of Products may elect to pay the *imposta sostitutiva* separately on payments received in respect of Products and capital gains realised on each sale or redemption of the Products under the so called "*regime del risparmio amministrato*" (the "**Administrative Savings Regime**") provided for by Article 6 of Legislative Decree No. 461 of 21 November 1997 (the "**Decree 461**"). Such separate taxation of capital gains is allowed subject to (i) the Products being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the Administrative Savings Regime being timely made in writing by the relevant Investor. The depository is responsible for accounting for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Products, as well as on capital gains realized as at revocation of its mandate, net of any relevant incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Investor or using funds provided by the Investor for this purpose. Where a sale or redemption of the Products results in a capital loss, such loss may be offset against with capital gains of the same nature subsequently realised, within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the Investor is not required to declare the capital gains in the annual tax return;
- (C) where the Products are part of a portfolio managed under the so called "*regime del risparmio gestito*" provided for by Article 7 of Decree 461 (the "**Asset Management Regime**") by an Italian asset management company or an authorized financial intermediary, any payments received as well as capital gains realised upon sale, transfer or redemption of the Products will not be subject to the substitute tax on capital gains but will contribute the determination of the annual accrued appreciation of the managed portfolio, subject to 26 per cent. annual substitutive tax, to be paid by the managing authorised intermediary. Any depreciation of the managed portfolio at year end may be carried forward against appreciation accrued in each of the

following years up to the fourth. Under the Asset Management Regime, the Securityholder is not required to declare the capital gains in the annual tax return.

Any capital gains on Products held by Italian resident open-ended or closed-ended collective investment funds, SICAVs or SICAFs not mainly investing in real estate assets and governed by Legislative Decree No. 44 of 4 March 2014 (the "**UCIs**") contribute to determine the increase in value of the managed assets of the UCIs accrued at the end of each tax year. UCIs will not be subject to taxation on such increase, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted with amendments by Law No. 410 of 23 November 2001, where an Investor is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 or an Italian SICAF, to which the provisions of Legislative Decree No. 44 of 4 March 2014 applies (the "**Real Estate UCIs**"), capital gains realised will be subject neither to substitute tax nor to any other income tax in the hands of the Real Estate UCI. The income of the Real Estate UCI, depending on the status and percentage of participation by the unitholders/shareholders, is (i) directly subject to tax in their hands or (ii) subject to a withholding tax at the rate of 26 per cent. upon distribution or redemption or disposal of the units/shares.

Any capital gains on Securities held by an Investor who is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. ad hoc annual substitute tax.

(b) *Non-Italian resident Investors*

Capital gains realised by non-Italian resident holders of Products without a permanent establishment in Italy to which the Products are effectively connected from the sale or redemption of Products not traded on regulated markets issued by a non-Italian resident issuer may in certain circumstances be taxable in Italy, if the Products are held in Italy.

However, where the Products are not traded on a regulated market in Italy or abroad, pursuant to the provisions of Decree No. 461, non-Italian resident beneficial owners of the Products with no permanent establishment in Italy to which the Products are effectively connected are exempt from the substitute tax in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Securities if they are resident for tax purposes in a state or territory included in the "White List" (i.e. Decree of the Minister of Finance dated 4 September, 1996, as amended and supplemented from time to time and to be updated every six months period according to Article 11, par. 4, let. c) of Legislative Decree No. 239 of 1 April 1996. Last amendment made on 23 March 2017). The same exemption applies where the beneficial owners of the Products are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries included in the White List, even if they do not have the status of taxpayers in their own country of residence; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Products are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they provide in time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement indicated above. Additional statements may be required for non-Italian resident holders of Products who are institutional investors.

Non-Italian resident individuals or entities without a permanent establishment in Italy to which the Products are connected that may benefit from a double taxation treaty with the Republic of Italy providing that capital gains realised upon the sale or redemption of Products are to be taxed only in the country of tax residence of the recipient, will not be subject to the substitute tax in Italy on any capital gains realised upon the sale or redemption of Products. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident holders of Products who hold the Products with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, may be required to produce

in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

3.2 **Products representing atypical securities**

(a) *Interest payments deriving from atypical securities*

Products that cannot qualify as derivative financial instruments may qualify as "atypical securities" (*titoli atipici*) under Italian tax law if they represent debt instruments implying a "use of capital" and do not guarantee the total reimbursement of the principal.

Interest payments relating to Products qualifying as atypical securities may be subject to a withholding tax at the rate of 26 per cent. Where the Investor, being the beneficial owner, is (A) an Italian individual engaged in an entrepreneurial activity to which the Products are connected; (B) an Italian company or a similar Italian commercial entity; (C) a permanent establishment in Italy of a foreign entity; (D) an Italian commercial partnership; or (E) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the holder of the Products is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident holder of the Products, the withholding tax rate may be reduced by any applicable double taxation treaty.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 or pension funds subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005 may be exempt from any income taxation, including the withholding tax on interest relating to atypical securities, if such securities are included in a long-term individual savings accounts (*piani individuali di risparmio a lungo termine*) that meets the requirements set forth in the applicable law, as subsequently amended and restated from time to time.

(b) *Capital gains*

Any gain obtained from the sale or the exercise of the Products would be subject to the same tax regime as described under "3.1 Products representing derivative financial instruments" above.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 or pension funds subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005 may be exempt from any income taxation, including the withholding tax on interest relating to atypical securities, if such securities are included in a long-term individual savings accounts (*piani individuali di risparmio a lungo termine*) that meets the requirements set forth in the applicable law, as subsequently amended and restated from time to time.

3.3 **Inheritance and Gift Taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable assets (including the Products) as a result of death or donation are taxed as follows:

- a) 4% if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on that part of value that exceeds Euro 1,000,000 (per beneficiary);
- b) 6% if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on that part of value that exceeds Euro 100,000 (per beneficiary);
- c) 6% if the transfer is made to relatives up to the fourth degree (*parenti fino al quarto grado*), to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree (*affini in linea retta nonché affini in linea collaterale fino al terzo grado*); and
- d) 8% in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax is levied to the rate mentioned above on the value exceeding Euro 1,500,000.

3.4 **Transfer Tax and Registration Tax**

Contracts relating to the transfer of the Products are subject to the registration tax as follows: (i) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) executed in Italy are subject to fixed registration tax at rate of Euro 200; (ii) private deeds (*scritture private autenticate*) are subject to registration tax at rate of Euro 200 only in case of voluntary registration or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

3.5 **Stamp Duty**

Pursuant to Article 19, paragraph 1 of Law Decree No. 201 of 6 December 2011, a proportional stamp duty applies on an annual basis to the periodic reporting communications which may be sent by Italian financial intermediaries to their clients in relation to securities and financial instruments which are deposited with such financial intermediaries. The stamp duty applies at a rate of 0.20%; this stamp duty is determined on the basis of the market value or – if no market value is available – the nominal value or redemption amount of the Products held. The stamp duty cannot exceed the amount of Euro 14,000 if the recipient of the periodic reporting communications is not an individual.

3.6 **Wealth Tax**

Pursuant to Article 19, paragraph 18 of Law Decree No. 201 of 6 December 2011, Italian resident individuals holding securities and financial instruments abroad are required to pay a wealth tax (IVAFE) at a rate of 0.20% for each year. Pursuant to Article 1, paragraph 710 of Law No. 160 of 27 December 2019, as of fiscal year 2020 the mentioned tax is also due by resident non-commercial entities and Italian partnerships (*i.e.*, *società semplici* and assimilated companies) holding the mentioned financial assets outside the Italian territory.

This tax is calculated on an annual basis on the market value of the securities and financial instruments at the end of the relevant year or – if no market value is available – the nominal value or the redemption value of such financial assets held abroad. Taxpayers are entitled to an Italian tax credit equivalent to the amount of any wealth tax paid in the State where the financial assets are held (up to an amount equal to the IVAFE due).

The securities and financial instruments held abroad are excluded from the scope of IVAFE if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement.

3.7 **Financial Transaction Tax (FTT) depending on the features of the Products**

Pursuant to Law No. 228 of 24 December 2012, a FTT applies to (A) transfer of ownership of shares and other participating securities issued by Italian resident companies or of financial instruments representing the just mentioned shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the "**Relevant Securities**"), (B) transactions on financial derivatives (i) the main underlying assets of which are the Relevant Securities or (ii) whose value depends mainly on one or more Relevant Notes, as well as to (C) any transaction on certain notes (i) which allow to mainly purchase or sell one or more Relevant Securities or (ii) implying a cash payment determined with main reference to one or more Relevant Securities.

Products could be included in the scope of application of the FTT if they meet the requirements set out above.

The FTT on derivative instruments is levied at a fixed amount that varies depending on the nature of the relevant instrument and the notional value of the transaction, and ranges between Euro 0.01875 and Euro 200 per transaction. The amount of FTT payable is reduced to 1/5 of the standard rate in case the transaction is performed on regulated markets or multilateral trading facilities of certain EU and EEA Member States. The FTT on derivatives is due by each of the parties to the transactions. FTT exemptions and exclusions are provided for certain transactions and entities.

The FTT is levied and paid by the subject (generally a financial intermediary) that is involved, in any way, in the execution of the transaction. Intermediaries which are not resident in Italy but are liable to apply the FTT can appoint an Italian tax representative for the purposes of the FTT. If no intermediary is involved in the execution of the transaction, the FTT must be paid by the taxpayers. Investors are advised to consult their own tax advisers on the possible impact of the FTT.

3.8 ***Tax Monitoring Obligations***

Pursuant to Law Decree No. 167 of 28 June 1990, converted into law by Law No. 227 of 4 August 1990, Italian resident individuals (and certain other entities) are required to report in their yearly income tax return, for tax monitoring purposes, the amount of securities and financial instruments directly or indirectly held abroad during each tax year. This also applies in the case that at the end of the tax year, such financial assets are no longer held by the above Italian resident individuals and entities.

However, the above reporting obligation is not required in case the financial assets are deposited for management with Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167 of 28 June 1990, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

PURCHASE AND SALE

No representation is made that any action has been or will be taken by the Issuer or the Lead Manager in any jurisdiction that would permit a public offering of any of the Products or possession or distribution of the Base Prospectus or any other offering material or any Issue Terms in relation to any Products in any country or jurisdiction where action for that purpose is required (other than actions by the Issuer to meet the standards of completeness, comprehensibility and consistency of the EU Prospectus Regulation for offerings contemplated in the Base Prospectus and/or the Final Terms). No offers, sales, resales or deliveries of any Products, or distribution of any offering material relating to any Products, may be made by the Lead Manager or any dealer ("**Dealer**") appointed by the Issuer or any other offeror in or from any jurisdiction and/or to any individual or entity except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and/or the Lead Manager.

Subject to the restrictions and conditions set out in this Securities Note, the categories of potential investors to which the Products are intended to be offered are retail and qualified investors.

Selling Restrictions

General

The selling restrictions may be modified by the agreement of the Issuer and the Lead Manager, including following a change in a relevant law, regulation or directive.

No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offer of any of the Products, or possession or distribution of any offering material thereto, in any country or jurisdiction where action for that purpose is required other than the approval of a Base Prospectus and a notification to the countries set forth in the Issue Terms.

Each offeror named in the Final Terms will be required to agree that it will comply with all relevant laws, regulations and directives, and obtain all relevant consents, approvals or permissions, in each jurisdiction in which it purchases, offers, sells or delivers Products or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms, and neither the Issuer nor the Lead Manager shall have responsibility therefor.

The Products may not be offered or sold to any person in breach of any sanctions program applicable to the Lead Manager or the Issuer or implemented by the Lead Manager or the Issuer, including, without limitation, sanctions administered or enforced by the US Government, (including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury ("**OFAC**") or the US Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council ("**UNSC**"), the State Secretariat for Economic Affairs ("**SECO**") of Switzerland or the Swiss Directorate of International Law, the European Union, Her Majesty's Treasury ("**HMT**"), or other relevant sanctions authority, including any sanctions to prevent the circumvention of international sanctions in connection with the situation in Crimea and Ukraine (collectively, the "**Sanctions**").

No investor in the Products

- shall be a sanctioned person or owned more than 50% by a sanctioned person
- shall be located, organized or resident in a country or territory that is the subject or the target of Sanctions (each, a "Sanctioned Country");
- undertakes any material business with the government of, or any person, entity or other party located, domiciled, resident or incorporated in a Sanctioned Country;
- will, directly or indirectly, use the proceeds resulting from the Products, or lend, contribute or otherwise make available such proceeds to any entity, joint venture partner or other person or entity (a) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of Sanctions, (b) to fund or facilitate any activities of or business in any Sanctioned Country or (c) in any other manner that will result in a violation by any person of Sanctions; and

- for the past five years, has knowingly engaged in and is now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

European Economic Area

If the Final Terms specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each offeror appointed under to the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Products which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Products to the public in that Relevant State:

- (a) if the Final Terms expressly specifies that an offer of those Products to the public may be made in the Relevant Member State in accordance with the EU Prospectus Regulation and the conditions of the offer set out in the Base Prospectus or in the relevant Final Terms, as the case may be, in the period beginning and ending on the dates specified in such Final Terms, provided that the Issuer has consented in writing to the use of the Base Prospectus for the purpose of such offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the offeror(s) nominated by the Issuer for any such offer; or
- (d) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

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 EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression '**an offer of Products to the public**' in relation to any Products in any Relevant 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 for the Products.

Prohibition of sales to EEA Investors

Unless the Issue Terms in respect of the Products specifies the 'Prohibition of Sales to EEA Retail Investors' as 'Not Applicable', each offeror appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Products which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any EEA Retail Investor in the EEA. For the purposes of this provision:

- (a) the expression "**EEA Retail Investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in EU Prospectus Regulation; and
- (b) the expression an "**offer**" includes 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 for the Products.

Hong Kong

This document has not been reviewed by the Securities and Futures Commission of Hong Kong, nor has a copy of it been registered by the Registrar of Companies in Hong Kong.

Each offeror of the Products has represented and agreed that

- (a) it has not offered or sold and will not offer and sell such Products in Hong Kong (excluding products defined as "structured products" in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**Securities and Futures Ordinance**"), by means of any document, to any person other than to 'professional investors' within the meaning of the Securities and Futures Ordinance 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) 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 issued under the 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 issued under the 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.

Ireland

Each offeror appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Products, or do anything in Ireland in respect of the Products, otherwise than in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), including, without limitation, Regulation 5 (Requirement for authorisation and certain provisions concerning MTFs and OTFs)) thereof, any rules and codes of conduct made thereunder and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) the Irish Central Bank Acts 1942 – 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) the EU Prospectus Regulation (2017/1129/EU), Commission Delegated Regulation (EU) 2019/980 (PR Regulation), Commission Delegated Regulation (EU) 2019/989 (RTS Regulation), the European Union (Prospectus) Regulations 2019 (S.I. No. 380 of 2019) (as amended) and any rules and guidance issued under Section 1363 of the Companies Act 2014 by the Central Bank of Ireland;
- (d) the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 and any rules and guidance issued under Section 1370 of the Companies Act 2014 by the Central Bank of Ireland;
- (e) the Companies Act 2014 (as amended);
- (f) in relation to any Products with a maturity of less than one year, the terms of the Central Bank of Ireland's implementation notice for credit institutions BSD C 01/02 of 12 November 2002 (as may be amended, replaced or updated from time to time) issued pursuant to Section 8(2) of the Irish Central Bank Act 1971 (as amended); and
- (g) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance based investment products (PRIIPs).

Italy

The offering of the Products has not been registered and will not be registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or "**CONSOB**") pursuant to Italian

securities legislation and therefore each offeror appointed under the Programme will be required to represent, warrant and agree that no Products has been offered, sold, promoted, advertised or otherwise made available and/or will be offered, sold, promoted, advertised or otherwise made available, directly or indirectly, to the public in the Republic of Italy, nor may copies of the Base Prospectus, any Final Terms or any other document or offering material relating to the Products be issued, distributed, made available or advertised in the Republic of Italy unless:

- (a) the relevant Final Terms specify that a not Exempt offer may be made to the public in the Republic of Italy and that each offeror may offer, sell or deliver Products or distribute copies of any prospectus relating to the Products, provided that such prospectus has been (i) approved in another Member State and notified to CONSOB, and (ii) completed by final terms (if applicable) expressly contemplating such non-exempt offer, in the twelve months period of validity of the Base Prospectus commencing on the date of its approval, in accordance with the EU Prospectus Regulation, under the Italian Legislative Decree No. 58 of 24th February, 1998 as amended from time to time ("**Italian Financial Services Act**") and CONSOB Regulation No. 11971 of 14th May, 1999, as amended from time to time ("**CONSOB Regulation No. 11971**");
- (b) to "**Qualified Investors**" (*investitori qualificati*), as defined pursuant to Article 2, paragraph 1, letter e) of the EU Prospectus Regulation and any applicable provision of the Italian Financial Services Act and/or the applicable Italian CONSOB regulations; or
- (c) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the EU Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 and in accordance with any applicable Italian laws and regulations.

Any offer, sale or delivery of the Products or distribution of copies of the Base Prospectus (including the applicable Final Terms) or any other document relating to the Products in the Republic of Italy must be made in compliance with the selling restrictions under (a), (b) or (c) above, as the case may be, and must be:

- (a) made by *soggetti abilitati* (including investment firms, banks or financial intermediaries), as defined by Article 1, first paragraph, letter r), of the Italian Financial Services Act, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Services Act, the Italian Legislative Decree No. 385 of 1st September 1993, as amended from time to time (the "**Italian Banking Act**") and CONSOB Regulation No. 20307 of 15th February, 2018, as amended from time to time ("**CONSOB Regulation No. 20307**"); and
- (b) in compliance with all relevant Italian securities, tax and exchange control and any other applicable laws and regulations, including any other applicable requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy or any other Italian competent authority (including the reporting requirements set forth by Article 129 of the Italian Banking Act and relevant implementing guidelines of the Bank of Italy issued on 25th August, 2015 and amended on 10th August, 2016 and on 2nd November, 2020, as further amended from time to time, pursuant to which the Bank of Italy may request periodic post-offering reporting, data and information on the issue or the offer of securities in the Republic of Italy).

In relation to the secondary market in Italy, investors should also note that, in accordance with Article 100-bis of the Italian Financial Services Act:

- (a) if any of the Products have been initially placed pursuant to an exemption to publish a prospectus, the subsequent distribution of such Products on the secondary market in the Republic of Italy which is not carried out under an exemption pursuant to (b) or (c) above must be made in compliance with the rules on offer of securities to the public and the prospectus requirement rules provided under the EU Prospectus Regulation, and the Italian Financial Services Act and CONSOB Regulation No. 11971;
- (b) if any of the Products which have been initially offered and placed with Qualified Investors in the Republic of Italy or abroad are then regularly ("*sistematicamente*") resold on the secondary market in the Republic of Italy to non-qualified investors in the 12 months following the placement, such resale would qualify as an offer of securities to the public if no exemption under

(c) above applies. Where this occurs, if a prospectus compliant with the EU Prospectus Regulation, the Italian Financial Services Act and CONSOB Regulation No. 11971, has not been published, the purchasers of such Products (who are acting outside of the course of their business or profession) may be entitled to obtain that the resale is declared null and void and the authorised entities ("**soggetti abilitati**" as defined in the Italian Financial Services Act) transferring the Products may be held liable for any damages suffered by the non-qualified investors; and

- (c) any intermediary subsequently reselling the Products is entitled to rely upon the prospectus published by the issuer or the person responsible for drawing up a prospectus as long as this is valid, duly supplemented in accordance with the Italian Financial Services Act and CONSOB Regulation No. 11971 and provided that the issuer or the person responsible for drawing up a prospectus gives its written consent to its use.

Luxembourg

For selling restrictions in respect of Luxembourg, please see under 'European Economic Area' above.

Singapore

The Base Prospectus has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001 of Singapore ("**SFA**"). Accordingly, the Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Products issued under the Base Prospectus may not be circulated or distributed, nor may Products issued under the Base Prospectus be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined under Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA (which term includes an accredited investor (as defined in Section 4A of the SFA) ("**accredited investor**")), or to any person pursuant to an offer referred to in Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where Products issued under the Base Prospectus are acquired by persons who are relevant persons specified in Section 275 of the SFA, namely:

- (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 individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Products issued under the Base Prospectus under Section 275 of the SFA except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA), or to any person pursuant to an offer that is made on terms that such securities or securities-based derivatives contracts of that corporation or such rights or 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(1A) of the SFA; or

- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Switzerland

If and to the extent the Products will be publicly offered, directly or indirectly, in Switzerland in the meaning of the FinSA, or if the Products were admitted to trading to a Swiss trading venue in the meaning of FMIA (e.g. SIX Swiss Exchange and/or BX Swiss), a prospectus pursuant to the requirements of Article 35 et seq. FinSA would be required. Such requirement may be met on the basis of (a) an automatic recognition of the Base Prospectus in Switzerland under the rules of the FinSA by way of a notification of, and a registration of the Programme with, a FinSA Reviewing Body pursuant to the rules of the FinSA, as implemented by the relevant FinSA Reviewing Body and (b) depositing the relevant Final Terms with the FinSA Reviewing Body. Such a registration pursuant to (a) would be possible for a Base Prospectus that is approved by the by the CSSF, as competent authority under the EU Prospectus Regulation, i.e. for any Products other than Exempt Products.

Unless the Base Prospectus is registered with the FinSA Reviewing Body under the rules of the FinSA, neither the Base Prospectus nor any other offering or marketing material relating to the Products constitutes a prospectus pursuant to the FinSA, and neither this Programme nor any other offering or marketing material relating to the Products may be publicly distributed or otherwise made publicly available in Switzerland, unless the requirements of FinSA and FinSO for such public offer are complied with.

Without a registration of the Base Prospectus with a FinSA Reviewing Body pursuant to the rules of the FinSA, the Products may only be offered, sold or advertised, directly or indirectly, in, into or from Switzerland if the Products (a) are addressed solely at investors classified as professional or institutional clients (*professionelle und institutionelle Kunden*) in the sense of Article 4 para. 3 to 5 and Article 5 para. 1 and 2 FinSA ("**Professional or Institutional Clients**"); (b) are addressed at fewer than 500 clients other than Professional or Institutional Clients; (c) are addressed at investors acquiring securities to the value of at least CHF 100,000; (d) have a minimum denomination per unit of CHF 100,000; or (e) do not exceed a total value of CHF 8 million over a 12-month period.

Professional or Institutional Clients include: (a) financial intermediaries regulated pursuant to the Swiss Federal Banking Act of 8 November 1934, the Swiss Federal Financial Institutions Act ("**FinIA**") or the CISA; (b) regulated insurance undertakings pursuant to the Swiss Federal Insurance Supervision Act; (c) foreign financial intermediaries or insurance undertakings subject to a similar prudential supervision as the financial intermediaries or insurance undertakings pursuant to (a) and (b); (d) central banks; (e) public entities with professional treasury operations; (f) pension funds and occupational pension schemes with professional treasury operations; (g) undertakings with professional treasury operations; (h) large companies that exceed two of the following thresholds: (1) a balance sheet total of CHF 20 million, (2) turnover of CHF 40 million, and/or (3) own capital of CHF 2 million; (i) private investment structures for high-net worth individuals with professional treasury operations; and (j) Opting-out Clients.

An "**Opting-out Client**" (*vermögende Privatkundinnen und -kunden*) is a Retail Client who confirms (i) that, based on the education/professional experience or based on comparable experience in the financial sector, he/she/it has the necessary knowledge to understand the risks resulting from an investment in the Products and who owns, directly or indirectly, eligible financial assets of at least CHF 500,000, or (ii) that he/she/it owns, directly or indirectly, eligible financial assets of at least CHF 2 million.

Products qualifying as structured products pursuant to Article 70 of the FinSA may be offered to Retail Clients in the meaning of FinSA in Switzerland only if a FinSA-KID or a EU PRIIPs-KID has been prepared and provided to the relevant Retail Clients. If the Products may only be offered to Retail Clients in the meaning of FinSA in the context of asset management mandates, such obligation to provide a FinSA-KID or a EU PRIIPs-KID would not apply.

United Kingdom

Prohibition of sales to UK Investors: Unless the Issue Terms in respect of the Products specifies the 'Prohibition of Sales to UK Retail Investors' as 'Not Applicable', each offeror appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Products which are the subject of the offering contemplated by the Base Prospectus as completed by the Issue Terms in relation thereto to any UK Retail Investor in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 of the United Kingdom (as amended, the "**EUWA**"); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 of the United Kingdom (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an "**offer**" includes 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 for the Products.

If the Issue Terms specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", then, in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each offeror appointed pursuant to the Programme will be required to represent and agree, that it has not made and will not make an offer of Products which are the subject of the offering contemplated by the Base Prospectus as completed by the Issue Terms in relation thereto to the public in that Member State, except that it may make an offer of such Products to the public in that Relevant State:

- (a) if the Issue Terms in relation to the Products specify that an offer of those Products may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the Financial Conduct Authority and provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and provided that the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the offeror(s) nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

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 section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Products to the public**" in relation to any Products 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 for the Products and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended) as it forms part of UK domestic law by virtue of the EUWA and regulations made thereunder.

Other regulatory restrictions: Each offeror has represented and agreed, and each further offeror appointed under this Programme will be required to represent and agree, that:

- (a) *Financial Promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of 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 would not, if it was not an authorised person, apply to the Issuer; and
- (b) *General Compliance:* it has complied and will comply with all applicable provisions of the FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any Products in, from or otherwise involving the United Kingdom.

United States of America

US Tax Selling Restrictions

Products issued in bearer form for US tax purposes ("**Bearer Instruments**") with respect to which the Issue Terms specifies that they are subject to US Treasury Regulation section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of section 4701 of the US Internal Revenue Code of 1986, as amended, (the "**Code**")) (the "**D Rules**") may not be offered, sold or delivered within the United States or its possessions or to a United States person except as permitted under the D Rules.

The Issuer and each offeror named in a set of Final Terms will be required to represent and agree that in addition to the relevant US Securities Selling Restrictions set out below:

- (a) except to the extent permitted under the D Rules, (i) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Instruments to a person who is within the United States or its possessions or to a United States person and (ii) the offeror has not delivered and agrees that it will not deliver within the United States or its possessions definitive Bearer Instruments that will be sold during the restricted period;
- (b) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Instruments are aware that Bearer Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);
- (c) if it is a United States person, it is acquiring the Bearer Instruments for purposes of resale in connection with their original issuance, and, if it retains Bearer Instruments for its own account, it will do so in accordance with the requirements of the D Rules;
- (d) with respect to each affiliate or distributor that acquires Bearer Instruments from the offeror for the purpose of offering or selling such Bearer Instruments during the restricted period, the offeror either repeats and confirms the representations and agreements contained in sub-clauses (a), (b) and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of the Issuer and the offeror the representations and agreements contained in such sub-clauses; and
- (e) it has not entered into and agrees that it will not enter into any written contract (other than confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another offeror) has offered or sold, or during the restricted period will offer or sell, any Bearer Instruments except where pursuant to the contract the offeror has obtained or will obtain from that party, for the benefit of the Issuer and the offeror, the representations contained in, and that party's agreement to comply with, the provisions of sub-clauses (a), (b), (c) and (d).

Terms used in the paragraphs above shall, unless the context otherwise requires, have the meanings given to them by the Code and the US Treasury Regulations thereunder, including the D Rules.

To the extent that the Issue Terms relating to Bearer Instruments specify that the Products are subject to US Treasury Regulation section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of section 4701 of the Code) (the "**C Rules**"), such Bearer Instruments must be issued and delivered outside the United States and its possessions in connection with their original issuance by an issuer that (directly or indirectly through its agents) does not significantly engage in interstate commerce with respect to the issuance. Each offeror named in a set of Issue Terms will be required to represent and agree that: (i) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any such Bearer Instruments within the United States or its possessions within the United States or its possessions; (ii) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either of them is within the United States or its possessions; and (iii) it will not otherwise involve its US office in the offer and sale of such Bearer Instruments. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder, including the C Rules.

Unless 'Not Applicable' is specified in respect of "**US Tax Selling Restriction**" in the applicable Issue Terms, Global Euroclear/Clearstream Securities, Definitive Euroclear/Clearstream Securities, and any Coupons and Talons attached thereto will contain a legend to the following effect:

"Any United States Persons (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287 (a) of the Internal Revenue Code of 1986, as amended."

US Securities Selling Restrictions

The Issuer is not registered as an investment company under the US Investment Company Act of 1940 (the "**Investment Company Act**"), and the Product has not been registered under US Securities Act of 1933, as amended (the "**Securities Act**"). The Product may not be offered or sold within the United States except:

- (a) in compliance with the registration requirements of the Securities Act and all applicable securities laws of the states of the United States; or
- (b) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws of the states of the United States; and

in each case, in a transaction that is not prohibited by the Investment Company Act or that would not require us to register under the Investment Company Act.

Accordingly, the Product is being offered and sold only outside the United States to non-US persons (within the meaning of Regulation S under the Securities Act) in offshore transactions in reliance on Rule 903 of Regulation S.

Each offeror of the Product hereunder will be deemed to have acknowledged, represented and agreed that:

- (a) it understands and acknowledges that the Product has not been registered under the Securities Act or any other applicable securities laws of the states of the United States and that the Product is being offered for resale only in transactions not requiring registration under the Securities Act and may not be offered, sold, assigned, pledged, hypothecated or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws of the states of the United States or pursuant to an exemption therefrom and in

each case in compliance with the conditions for transfer set forth in paragraphs (4), (5) and (7) below;

- (b) it is not a US person and it is offering the Product outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act;
- (c) it represents and agrees that it and each of its affiliates have not entered and will not enter into any contractual arrangement with respect to the distribution of the Product unless any such arrangement is permitted under the Program and is not in violation of the Securities Act;
- (d) it is offering the Product for its own account, or for an account for which it exercises sole investment discretion and is acting as a fiduciary or agent, in each case for investment purposes, and not with a view to or for an offer or sale in connection with any distribution thereof in violation of the Securities Act or any securities laws of the states of the United States, subject to any requirement of law that the disposition of its property or the property of such investor account(s) be at all times within its or their control and subject to its or their ability to resell such Product pursuant to Regulation S;
- (e) it understands and agrees that if in the future it decides to resell, assign, pledge, hypothecate or otherwise transfer any Product or any beneficial interests in any Product it will do so only to persons other than US persons, outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act, or in the US pursuant to an exemption from registration under the Securities Act;
- (f) it understands that the Product will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER FOR THE BENEFIT OF THE ISSUER AND ANY OF ITS SUCCESSORS IN INTEREST (1) REPRESENTS THAT IT IS NOT A US PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION, (2) AGREES THAT IT WILL NOT, PRIOR TO THE DATE WHICH IS 40 DAYS (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY REGULATION S UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE DATE OF ORIGINAL ISSUE AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THE PRODUCT (OR ANY PREDECESSOR THERETO) (THE "RESALE RESTRICTION TERMINATION DATE") RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR A BENEFICIAL INTEREST IN THIS SECURITY EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO OFFERS AND SALES TO NON-US PERSONS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED, A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES," AND "US PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT;

- (g) it agrees that it will give to each person to whom it transfers the Product, notice of any restrictions on the transfer of the Product; and
- (h) it acknowledges that until the expiration of 40 days after the date of the original issue any offer or sale of the Product within the United States by a broker/dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or

sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

US Retirement Plan Selling Restrictions

The Products may not be sold or transferred to, and each acquirer by its acquisition of Products shall be deemed to have represented and covenanted that it is not acquiring and will not hold the Products for or on behalf of, or with the assets of, and will not transfer Products to, any employee benefit plan, as defined in section 3 of the Employee Retirement Income Security Act ("**ERISA**"), that is subject to Title I of ERISA, any plan or arrangement that is subject to section 4975 of the Code, an entity or account the assets of which are considered assets of such a plan or arrangement, or a government, church or other plan subject to any law or regulation substantially similar to Title I of ERISA or section 4975 of the Code.

Guernsey

The Products may only be offered or sold in or from within Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 2020 (the "**POI Law**"); or (ii) to persons licensed under the POI Law or persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 2020 the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc., (Bailiwick of Guernsey) Law, 2020.

IMPORTANT ADDITIONAL LEGAL INFORMATION

Responsibility

The Issuer accepts responsibility for the information contained in this Securities Note and any Issue Terms. To the best of the knowledge of the Issuer, the information contained in this Securities Note and any Issue Terms is in accordance with the facts and contains no omission likely to affect its import.

Public Offers and Consent

Public Offers

Certain Products may, subject as provided below, be subsequently resold, finally placed or otherwise offered by financial intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the EU Prospectus Regulation. Any such resale, placement or offer is referred to in the Base Prospectus as a 'Public Offer'. Any person making or intending to make a Public Offer of Products must do so only with the consent of the Issuer and subject to and in accordance with the relevant conditions to such consent – see '*Consent to the use of the Base Prospectus*' below.

Other than as set out immediately below, neither the Issuer nor the Lead Manager has authorised (nor do they authorise or consent to the use of the Base Prospectus (or Issue Terms) in connection with) the making of any Public Offer of Products by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or Lead Manager or Authorised Offerors (as defined below) and none of the Issuer, Lead Manager or Authorised Offerors has any responsibility or liability for the actions of any person making such offers. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuer, the Lead Manager or Authorised Offerors accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. Any persons to whom an offer of any Products is made should enquire whether a financial intermediary is an Authorised Offeror.

Consent to the use of the Base Prospectus

In connection with a Public Offer of Products as described in the Final Terms, the Issuer consents or (in the case of (ii) (*General Consent*)) offers to grant its consent to the use of the Base Prospectus (as supplemented from time to time) and Final Terms (and accepts responsibility for the information contained in the Base Prospectus (as supplemented from time to time) and Final Terms in relation to any person who purchases Products in such Public Offer made by an Authorised Offeror) by or to (as applicable) each of the following financial intermediaries, in each case subject to compliance by such financial intermediary with the Conditions to Consent (as described below) (each, an "**Authorised Offeror**"):

- (a) **Specific Consent:** each financial intermediary which either:
 - (i) is expressly named as an Initial Authorised Offeror in the Final Terms; or
 - (ii) is expressly named as an Authorised Offeror on the website of Leonteq Securities AG: (www.leonteq.com) (in which case, its name and address will be published on the website of Leonteq Securities AG); and
- (b) **General Consent:** if Part C of the Final Terms specifies 'General Consent' as applicable, each financial intermediary which both:
 - (i) is authorised to make such offers under Directive 2014/65/EU (as amended, "**MiFID II**"); and
 - (ii) if such confirmation is requested by the Issuer or the Lead Manager, accepts the offer by the Issuer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

'We, [specify name of financial intermediary], refer to the offer of [specify title of products] (the "**Products**") described in the Final Terms dated [specify date] (the

"**Final Terms**") published by Leonteq Securities AG which may also be acting through its Guernsey branch (Leonteq Securities AG, Guernsey Branch) or its Amsterdam branch (Leonteq Securities AG, Amsterdam Branch) (the "**Issuer**"). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the Public Offer of the Products in the Public Offer Jurisdiction(s) during the Offer Period and subject to and in accordance with the conditions set out in the Final Terms and Base Prospectus, we accept the offer by the Issuer. We confirm that we are authorised under MiFID to make, and are using the Base Prospectus in connection with, the Public Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus and Final Terms.'

The consent of the Issuer referred to in (i) and (ii) above is subject to compliance by the relevant financial intermediary with the following conditions (the "**Conditions to Consent**");

- (a) **Public Offer Jurisdiction(s):** the Public Offer is only made in Luxembourg and/or Italy as specified in the Final Terms (the "**Public Offer Jurisdiction(s)**"); Offer Period: the Public Offer is only made during the offer period specified in the Final Terms (the "**Offer Period**"); and
- (b) **Other:** each of the other conditions (if any) provided in the Final Terms.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of the Base Prospectus.

The Issuer may give consent to one or more additional Authorised Offerors in respect of a Public Offer after the date of the Final Terms, discontinue or change the Offer Period, and/or remove or add conditions to consent and, if it does so, such information will be published at: www.leonteq.com and by way of notice which will be available on the Luxembourg Stock Exchange website (www.LuxSE.com). Any new information with respect to Authorised Offerors unknown at the time of the approval of this Securities Note or the filing of the Final Terms will be published and can be found at: www.leonteq.com.

Neither the Issuer nor the Lead Manager has any responsibility for any of the actions of any Authorised Offeror, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to an offer.

Any offer or sale of Products to an investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor, including as to price, allocations and settlement arrangements. It will be the responsibility of the applicable financial intermediary at the time of such offer to provide the investor with that information and neither the Issuer nor the Lead Manager or other Authorised Offeror has any responsibility or liability for such information.

Any Authorised Offeror falling within (ii) (*General Consent*) above using the Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

Approval and passporting of the Base Prospectus

In order to allow for this Securities Note to be used for a public offer or the admission of the Securities to trading as part of the Base Prospectus, it has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**"), as competent authority under the EU Prospectus Regulation. The CSSF only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer or as an endorsement of the quality of the Products that are subject to the Prospectus. Investors should make their own assessment as to the suitability of investing in the Products. Such approval relates only to Products which are to be offered to the public in any Member State of the European Economic Area.

On the approval of this Securities Note to be used for a public offer or the admission of the Securities to trading as part of the Base Prospectus as a base prospectus for the purpose of Article 8 of the EU Prospectus Regulation by the CSSF, application for the notification of such approval has been made to the competent authority of Italy.

An electronic copy of this Securities Note will be published on the website of the Luxembourg Stock Exchange (www.LuxSE.com).

Type of Products

The Products have redemption terms that are linked to one or more Underlyings and will be 'derivative securities' for the purposes of the EU Prospectus Regulation (and, as such, specific items of information will be included in this Securities Note that may not be included for Products that are not 'derivative securities').

No equity securities falling under article 19 (Securities that are exchangeable for or convertible into shares) of Commission Delegated Regulation (EU) 2019/980 will be issued under the Base Prospectus.

No Products issued under the Base Prospectus are securities linked to any index composed by the Issuer or any legal entity belonging to the Leonteq Group.

Hyper-links to websites

For the avoidance of doubt, the content of any website to which a hyperlink is provided shall not form part of this Securities Note. The information on any of the websites to which a hyperlink is provided has not been scrutinised or approved by the CSSF in its role as competent authority.

GENERAL INFORMATION

Authorisation and Consents

An internal general resolution on the issue of Products under the European Programme was passed by the Issuer on 18 April 2012.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with establishing this Programme and will obtain all such consents, approvals and authorisations in connection with the issue and performance of each Product issued pursuant to this Programme.

Use of proceeds

Unless otherwise specified in the relevant Issue Terms, the Issuer intends to apply the net proceeds from the sale of any Products for the hedging and payment and delivery obligations arising from the issue of the Products and for the purposes of the Issuer's ordinary business activities.

The applicable Final Terms will specify the use of proceeds.

Listing and Admission to Trading

Applications may be made for the listing and admission to trading on the multilateral trading facility of securitised derivative financial instruments organised and managed by Borsa Italiana S.p.A. (the "**SeDeX Market**"), the multilateral trading facility EuroTLX (managed by Borsa Italiana S.p.A) and/or any other exchange or multilateral trading facility specified in the Issue Terms.

Relevant Clearing Systems

The Products issued pursuant to the Programme may be accepted for clearance through SIX SIS, Euroclear, Clearstream, Monte Titoli and any other Relevant Clearing System as set out in the Issue Terms. The appropriate International Securities Identification Number (the "**ISIN**") for each Series allocated by Euroclear, Clearstream or SIX SIS will be set out in the Issue Terms. Transactions will be effected for settlement in accordance with the Relevant Rules.

As at the date of this Securities Note, the address of SIX SIS is AG, Pfingstweidstrasse 110, 8021 Zurich, Switzerland. The address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Monte Titoli S.p.A. is Piazza Affari 6, 20123 Milan, Italy. The address of any additional clearing system will be set out in the Final Terms.

Documents Available

For as long as this Securities Note remains in effect or any Products remain outstanding, copies of the following documents will, when available, be made available during usual business hours on a weekday (Saturdays, Sundays and public holidays excepted) for inspection and, in the case of (a), (b), (c), and (h) below, shall be available for collection free of charge at the registered office of Leonteq Securities AG:

- (a) The constitutional documents of the Issuer; which are also available at <https://ch.leonteq.com/contact-us/regulatory-information#leonteq-securities-ag> (the

information on such website does not form part of the prospectus and has not been scrutinized or approved by the CSSF);

- (b) all future annual reports and interim financial statements of the Issuer;
- (c) the Agency Agreement, as amended from time to time;
- (d) the Deed of Covenant, as amended from time to time;
- (e) the current Securities Note in respect of the Programme and any future supplements thereto which is also available at <https://structuredproducts-ch.leonteq.com/services/prospectuses>;
- (f) any Final Terms issued in respect of Products admitted to listing, trading and/or quotation by any listing authority, stock exchange, and/or quotation system since the most recent securities note was published;
- (g) any other future documents and/or announcements issued by the Issuer.

The Issue Terms, in respect of any Series, shall also be available at the registered office of Leonteq Securities AG.

Post-issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any of the Products or the performance of any Underlying or any other underlying relating to Products, except if required by any applicable laws and regulations.

Issue Price

Products will be issued by the Issuer at the Issue Price specified in the Issue Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Lead Manager at the time of the relevant offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price of such Products will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Products to such Investor. The Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Products to such Investor.

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