



**Credit Suisse AG, London Branch**

**EUR 5,000,000 Credit-Linked Notes linked to Brisa - Concessao Rodoviaria SA, due 2021**

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

**SPLB2014-184**

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

This document comprises two parts. Part One is a summary of the Registration Document and Securities Note (the "**Summary**") and Part Two is a securities note (the "**Securities Note**"). The Summary and Securities Note contain information relating to the above Securities.

The Summary and Securities Note shall be read in conjunction with the registration document (the "**Registration Document**") dated 28 April 2014 containing information in respect of Credit Suisse AG, acting through its London Branch (the "**Issuer**").

Together, the Registration Document, the Summary and the Securities Note comprise a "prospectus" (the "**Prospectus**") for the Securities, prepared for the purposes of Article 5.3 of Directive 2003/71/EC as amended (the "**Prospectus Directive**").

This Summary and Securities Note has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Summary and Securities Note as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Securities which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to The Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Securities to be admitted to the Official List and trading on its regulated market. There can be no assurance that such listing and admission to trading will be granted. The regulated market of the Irish Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

8 May 2014

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

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

The Issuer will not be providing any post issuance information, except if required pursuant to Article 16 of the Prospectus Directive.

In connection with the issue and sale of the Securities, no person is authorised to give any information or to make any representation not contained in the Registration Document, the Summary or the Securities Note, and neither the Issuer nor the Dealer accepts responsibility for any information or representation so given that is not contained in the Registration Document, the Summary or the Securities Note. The Prospectus does not constitute an offer of Securities, 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 offer or solicitation and no action is being taken to permit an offering of the Securities or the distribution of the Prospectus in any jurisdiction where any such action is required except as specified herein.

The distribution of the Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession the Registration Document, the Summary or the Securities Note comes are required by the Issuer to inform themselves about, and to observe, such restrictions.

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

The Securities have not been rated.

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## PART ONE

### SUMMARY RELATING TO THE EUR 5,000,000 CREDIT-LINKED NOTES LINKED TO BRISA – CONCESSAO RODOVIARIA SA, DUE 2021

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

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

*Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.*

#### Section A — Introduction and warnings

Element	Disclosure requirement	
<b>A.1</b>	<p><b>This summary should be read as an introduction to this Prospectus.</b></p> <p><b>Any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole by the investor.</b></p> <p><b>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</b></p> <p><b>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</b></p>	
<b>A.2</b>	Consent by the Issuer to the use of the prospectus for subsequent resale or final placement of securities.	Not applicable, no consent has been granted by the Issuer in relation to the use of this Prospectus for any subsequent resale or final placement of securities by financial intermediaries.

#### Section B — Issuer

Element	Disclosure requirement	
<b>B.1</b>	Legal and commercial name of the Issuer	Credit Suisse AG (" <b>CS</b> "), acting through its London branch
<b>B.2</b>	Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of Issuer	CS is a Swiss bank and joint stock corporation established under Swiss law and operates under Swiss law. Its registered head office is located at Paradeplatz 8, CH-8001, Switzerland.
<b>B.4(b)</b>	Known trends with respect to the Issuer and the industries in which it operates	<p><b>Financial services industry is undergoing a transition period</b></p> <p>The financial services industry is undergoing a transition period, with banks seeking to adapt to new regulatory requirements, changing macroeconomic conditions and</p>

		<p>evolving client needs.</p> <p><b>Investment banking developments</b></p> <p>Investment banking has been impacted by a high degree of macroeconomic uncertainties, political tensions and continuing regulatory developments. There are also concerns due to the European sovereign debt crisis and the global economic slowdown.</p> <p>The Issuer's Group investment banking business has been affected by subdued corporate and institutional risk appetite, continued low client activity levels across businesses and high market volatility.</p> <p><b>Legal and regulatory developments</b></p> <p>Financial institutions across the globe have been under significant pressure to adapt their business models as legal requirements became increasingly stringent.</p> <p>The evolving regulatory framework and significant regulatory developments have fundamentally changed the business and competitive landscape of the industry.</p> <p>One example of significant change affecting the industry is the phasing-in of higher minimum capital requirements under Basel III beginning in 2013 in some countries, including Switzerland. Banks deemed systemically important will be required to hold additional capital by the beginning of 2019 as part of efforts to prevent another financial crisis.</p> <p>Although some of the new regulatory measures require further rule-making and will be implemented over time, the Issuer expects increased capital and liquidity requirements and derivatives regulation to result in reduced risk-taking and increased transparency.</p>																								
B.5	Description of group and Issuers' position within the group	<p>CS is a wholly owned subsidiary of Credit Suisse Group AG. A summary organisation chart is set out below:</p> <div><div>Credit Suisse Group AG</div><div><div></div><div>100%</div><div>Credit Suisse AG</div></div></div>																								
B.9	Profit forecast or estimate	Not applicable; no profit forecasts or estimates have been made by the Issuer.																								
B.10	Qualifications in audit report on historical financial information	Not applicable; there were no qualifications in the audit report on historical financial information.																								
B.12	Selected historical key financial information, any material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements and any significant changes in the financial position of the Issuer subsequent to	<table><tr><th><i>In CHF million</i></th><th colspan="2"><i>Year ended 31 December</i></th><th></th></tr><tr><td></td><td><i>2013</i></td><td><i>2012</i></td><td></td></tr><tr><td><b>Selected income statement data</b></td><td></td><td></td><td></td></tr><tr><td>Net Revenue</td><td>25,330</td><td>23,178</td><td></td></tr><tr><td>Total operating expenses</td><td>21,567</td><td>21,108</td><td></td></tr><tr><td>Net income/loss</td><td>2,638</td><td>1,495</td><td></td></tr></table>	<i>In CHF million</i>	<i>Year ended 31 December</i>				<i>2013</i>	<i>2012</i>		<b>Selected income statement data</b>				Net Revenue	25,330	23,178		Total operating expenses	21,567	21,108		Net income/loss	2,638	1,495	
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	the period covered by historical financial information:	<b>Selected balance sheet data</b>			
		Total assets	854,412	908,160	
		Total liabilities	810,849	865,999	
		Total equity	43,563	42,161	
		There has been no material adverse change in the prospects of the Issuer since 31 December 2013. There has been no significant change in the financial or trading position of the Issuer since 31 December 2013.			
<b>B.13</b>	Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency	Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.			
<b>B.14</b>	Issuer's position in its corporate group; If the Issuer is dependent upon other entities within the group this must be stated clearly	See Element B.5 above.  Dependence upon other group entities is not applicable.			
<b>B.15</b>	Issuer's principal activities	CS' principal activities are structured along three lines of business: <ul style="list-style-type: none"> <li>Investment banking: CS offers securities products and financial advisory services to users and suppliers of capital around the world</li> <li>Private banking: CS provides comprehensive advice and a broad range of investment products and services globally, including wealth management solutions</li> <li>Asset management: CS offers products across a broad spectrum of investment classes, including alternative investments and multi-asset class solutions.</li> </ul>			
<b>B.16</b>	Ownership and control of the Issuer	See Element B.5 above.			

### Section C — Securities

Element	Disclosure requirement	
<b>C.1</b>	Description of Securities/ Security Identification Number/class of the Securities	The type of the Securities are Notes which are linked to the credit risk of Brisa - Concessao Rodoviaria SA.  The Securities are uniquely identified by ISIN: XS1000954161; Common Code: 100095416.  Different classes of Securities will not be issued.
<b>C.2</b>	Currency	The Securities will be denominated in Euro ("EUR").
<b>C.5</b>	Description of restrictions on free transferability of the Securities	The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the " <b>Securities Act</b> ") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.  No offers, sales or deliveries of the Securities, or distribution of any

		<p>offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p> <p>Subject to the above, the Securities will be freely transferable.</p>
<b>C.8</b>	Description of rights attached to the securities, ranking of the securities and limitations to rights:	<p>The Securities will have terms and conditions relating to, among other matters:</p> <p><b>Rights</b></p> <ul style="list-style-type: none"> <li>• The Securities will give each Securityholder the right to receive a potential return on the Securities (see Element C. 18 below). The Securities will also give each Securityholder the right to vote on certain amendments to the terms of the Securities at meetings of holders of such Securities.</li> <li>• The terms of the Securities will contain the following events of default: (a) failure to pay any amount due on the Securities within 30 days after the due date; and (b) events relating to the insolvency or liquidation of the Issuer.</li> <li>• The Securities are governed by English law.</li> </ul> <p><b>Status and ranking</b></p> <p>The Securities are unsubordinated and unsecured obligations of CS and rank equally with all other unsubordinated and unsecured obligations of CS.</p> <p><b>Limitation to Rights</b></p> <ul style="list-style-type: none"> <li>• The Issuer may redeem the Securities early for illegality reasons. In such case, the amount payable on such early redemption will be equal to the fair market value of the Securities.</li> <li>• The terms and conditions of the Securities contain provisions for convening meetings of Securityholders to consider any matter affecting their interests, and any resolution passed by the relevant majority at a meeting will be binding on all Securityholders, whether or not they attended such meeting or voted for or against it. In certain circumstances, the Issuer may modify the terms and conditions of the Securities without the consent of Securityholders.</li> <li>• The Issuer may at any time, without the consent of the Securityholders, substitute for itself as Issuer under the Securities any affiliate or any company with which it consolidates, into which it merges or to which it sells all or substantially all its property, in each case, subject to certain conditions.</li> </ul>
<b>C.11</b>	Admission to Trading	<p>Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange.</p>
<b>C.15</b>	A description of how the value of the investment is affected by the value of the underlying instrument	<p>The value of the Securities is linked to a hypothetical credit default swap (the "<b>Reference CDS</b>") pursuant to which the Issuer is deemed to be "Buyer" and a notional counterparty is "Seller". The Seller under the Reference CDS (and accordingly, the Securityholders under the Securities) are exposed to the credit default swap exposure on Brisa - Concessao Rodoviaria SA (the "<b>Reference Entity</b>").</p> <p>Payments of interest and principal on the Securities are dependent on whether one or more of a number of specified events occurs in relation to the Reference Entity (referred to as "<b>Credit Events</b>") and whether, as a result, an Event Determination Date occurs.</p> <p>If an Event Determination Date occurs with respect to the Securities, the entire nominal amount of each Security will be reduced to zero and the Securities will be redeemed in whole by payment of a reduced cash amount (the "<b>Credit Event Settlement Amount</b>"). The Credit Event</p>

		<p>Settlement Amount will be determined based on the price of certain eligible obligations of the Reference Entity, which may be determined either by reference to a price determined by way of a credit derivatives auction sponsored by ISDA (the "<b>Auction</b>") or, where there is no auction, on the basis of bid quotations received by the Calculation Agent from third party dealers.</p> <p>In addition, following the occurrence of an Event Determination Date, interest will cease to accrue on the Securities, with effect from and including the first day of the interest period during which the Event Determination Date occurred.</p> <p>See Element C.18 below.</p>
<b>C.16</b>	The maturity date of the securities and Exercise date or final reference date	Each of the Maturity Date and the Scheduled Termination Date of the Reference CDS is scheduled to be 27 June 2021.
<b>C.17</b>	The settlement procedure in respect of the securities	<p>The Securities will be delivered by the Issuer against payment of the issue price. Settlement procedures will depend on the clearing system for the Securities and local practices in the jurisdiction of the investor.</p> <p>The Securities are cleared through Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme.</p>
<b>C.18</b>	The return on the Securities	<p>Interest is payable annually on the Securities at a fixed rate of interest of 5.40 per cent. per annum from and including the Issue Date to but excluding 27 June 2021 (the "<b>Scheduled Maturity Date</b>"), subject to early redemption, and subject to cessation of interest if an Event Determination Date occurs (see C.15). If redemption of the Securities is extended beyond the scheduled maturity date and it is ultimately determined that an Event Determination Date has not occurred, a compensation interest payment calculated by reference to the overnight rate for EUR deposits will be payable on the extended maturity date.</p> <p>Unless an Event Determination Date has occurred, each Security will redeem at par on the Scheduled Maturity Date or Extended Maturity Date, as applicable.</p> <p>If an Event Determination Date has occurred, the entire nominal amount of each Security will be reduced to zero and the Securities will be redeemed in whole by payment of the Credit Event Settlement Amount (see C.15). The Credit Event Settlement Amount payable in respect of a Security will be equal to each Security's pro-rata proportion of an amount equal to:</p> <ul style="list-style-type: none"> <li>(a) the nominal amount of the Securities (or, in certain circumstances, a portion thereof) less</li> <li>(b) the product of (i) 100 per cent. minus the price (expressed as a percentage) determined through the Auction or by the Calculation Agent on the basis of bid quotations, as applicable, for certain obligations of the Reference Entity and (ii) the nominal amount of the Securities (or, in certain circumstances, a portion thereof).</li> </ul> <p>If a "Restructuring" Credit Event occurs with respect to the Securities, the Issuer may elect to trigger a partial redemption of the Securities. If the Issuer exercises such right to partially redeem the Securities, the outstanding nominal amount of the Securities will be reduced by an amount that is less than the entire nominal amount of the Securities</p>



		<p>(such partial amount the "<b>Exercise Amount</b>") and each Security will be redeemed in part by an amount equal to its pro-rata proportion of (i) such Exercise Amount less (ii) the product of (x) 100 per cent. minus the price (expressed as a percentage) determined through an Auction or by the Calculation Agent on the basis of bid quotations, as applicable, and (y) the Exercise Amount.</p> <p><b>The return on the Securities may be a negative amount and investors may lose some or all of their original invested amount.</b></p>
<b>C.19</b>	Exercise price or final reference price of the underlying	The auction final price or final price determined by dealer poll of the Reference Entity.
<b>C.20</b>	Description of the underlying and where information on the underlying can be found	The Reference Entity is Brisa - Concessao Rodoviaria SA, a Portuguese corporate. More information on the Reference Entity is available at <a href="http://www.brisaconcessao.pt/en/">http://www.brisaconcessao.pt/en/</a> . This website does not form part of the terms and conditions of the Securities.

#### Section D — Risks

Element	Disclosure requirement	
<b>D.2</b>	Key risks regarding the Issuer	<p>The Securities are general unsecured obligations of the Issuer. Investors in the Securities are exposed to the risk that the Issuer could become insolvent and fail to make the payments owing by it under the Securities.</p> <p>The Issuer is exposed to a variety of risks that could adversely affect its operations and/or financial condition:</p> <ul style="list-style-type: none"> <li>• <b>Liquidity risk:</b> The Issuer's liquidity could be impaired if it were unable to access the capital markets or sell its assets, and the Issuer expects its liquidity costs to increase. The Issuer's businesses rely significantly on its deposit base for funding; however, if deposits cease to be a stable source of funding, the Issuer's liquidity position may be adversely affected. Changes to the Issuer's credit ratings may also adversely affect the Issuer's business.</li> <li>• <b>Market risk:</b> The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility. Its businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries it operates in around the world. The Issuer has significant risk concentration in the financial services industry which may cause it to suffer losses even when economic and market conditions are generally favourable for others in the industry. Further, the Issuer's hedging strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Market risk may also increase the</li> </ul>

		<p>other risks that the Issuer faces.</p> <ul style="list-style-type: none"> <li>• <b>Credit risk:</b> The Issuer may suffer significant losses from its credit exposures. Defaults by a large financial institution could adversely affect the Issuer and financial markets generally. The information which the Issuer uses to manage its credit risk may be inaccurate or incomplete.</li> <li>• <b>Risks from estimates and valuations:</b> The Issuer makes estimates and valuations that affect its reported results; these estimates are based upon judgment and available information, and the actual results may differ materially from these estimates.</li> <li>• <b>Risks relating to off-balance sheet entities:</b> The Issuer may enter into transactions with certain special purpose entities which are not consolidated and whose assets and liabilities are off-balance sheet. If the Issuer is required to consolidate a special purpose entity for any reason, this could have an adverse impact on the Issuer's operations and capital and leverage ratios.</li> <li>• <b>Cross-border and currency exchange risk:</b> Cross-border risks may increase the market and credit risks that the Issuer faces. Economic or political pressures in a country or region may adversely affect the ability of the Issuer's clients or counterparties in that country or region to perform their obligations to the Issuer, which may in turn have an adverse impact on the Issuer's operations.</li> <li>• <b>Operational risk:</b> The Issuer is exposed to a wide variety of operational risks, including information technology risk. The Issuer may suffer losses due to employee misconduct.</li> <li>• <b>Risk management:</b> The Issuer's risk management procedures and policies may not always be effective, and may not fully mitigate its risk exposure in all markets or against all types of risk.</li> <li>• <b>Legal and regulatory risks:</b> The Issuer faces significant legal risks in its businesses. Regulatory changes may adversely affect the Issuer's business and ability to execute its strategic plans. Under Swiss banking laws, FINMA has broad powers in the case of resolution proceedings with respect to a Swiss bank such as the Issuer, and such proceedings may adversely affect the Issuer's shareholders and creditors. Changes in monetary policies adopted by relevant regulatory authorities and central banks may directly impact the Issuer's costs of funding, capital raising and investment activities, and may impact the value of financial instruments held by the Issuer and the competitive and operating environment for the financial services industry. Legal restrictions on the Issuer's clients may also adversely affect the Issuer by reducing the demand for the</li> </ul>
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		<p>Issuer's services.</p> <ul style="list-style-type: none"> <li>• <b>Competition risks:</b> The Issuer faces intense competition in all financial services markets and for the products and services it offers. The Issuer's competitive position could be harmed if its reputation is damaged due to any failure (or perceived failure) in its procedures and controls. The continued public focus on compensation in the financial services industry and related regulatory changes may adversely impact the Issuer's ability to attract and retain highly skilled employees. The Issuer also faces competition from new trading technologies.</li> <li>• <b>Risks relating to strategy:</b> The Issuer may not achieve all of the expected benefits of its strategic initiatives. The Issuer has announced a program to change its legal entity structure; however, this is subject to uncertainty regarding feasibility, scope and timing. Legal and regulatory changes may require the Issuer to make further changes to its legal structure, and such changes may potentially increase operational, capital, funding and tax costs, as well as the Issuer's counterparties' credit risk.</li> </ul>
D.6	Key risks regarding the Securities	<p>There are also certain factors which are material for the purpose of assessing the risks associated with Securities which include the following:</p> <ul style="list-style-type: none"> <li>• Investors may lose the value of their entire investment or part of it.</li> <li>• A secondary market for the Securities may not develop and, if it does, it may not provide the holders with liquidity and may not continue for the life of the Securities. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities. Illiquidity may have a severely adverse effect on the market value of the Securities.</li> <li>• Any investor in the Securities must be prepared to hold such Securities until the Maturity Date of the Securities. The Issuer may, but is not obliged to, purchase Securities at any time at any price in the open market or by tender or private treaty and may hold, resell or cancel them. There may be no or a very limited market for the Securities. The only way in which a Securityholder can realise value from a Security prior to its maturity is to sell it at its then market price in the market which may be less than the amount initially invested. The market value of the Securities will be affected by a wide variety of factors including the financial condition and actual or perceived creditworthiness of the Issuer and the Reference Entity as well as issues of supply and demand which are specific to the credit default swap market.</li> <li>• The terms of the Reference CDS are used solely for the purposes of determining the amounts payable under the Securities, the timing of any such payments and other matters specified in the terms of the Securities. As an investor in the Securities, a Securityholder will not acquire</li> </ul>

		<p>any interest in, or rights under an actual credit default swap, either in relation to the Securities or otherwise. Furthermore, Securityholders may not benefit from rights that would be available to a seller of credit risk protection under a Reference CDS. In particular, Securityholders will not have the right (which would be available to a seller of credit risk protection under a Reference CDS) to trigger settlement of the Securities following the occurrence of a "Restructuring" Credit Event; such right will be exercisable solely by the Calculation Agent acting in the Issuer's interests on behalf of the buyer of credit protection under the Reference CDS. Securityholders will not have any rights against any Reference Entity.</p> <ul style="list-style-type: none"> <li>• If an Event Determination Date occurs in respect of the Reference Entity, the entire outstanding nominal amount of each Security will be reduced to zero and the Securityholders will receive a cash amount equal to the Credit Event Settlement Amount, which is likely to be less than the par value of the Securities and may be zero. Securityholders will accordingly suffer a loss of part or all of their investment in such circumstances. In addition, if an Event Determination Date occurs, interest will cease to accrue from the start of the then-current interest accrual period. Securityholders will accordingly suffer a loss of interest.</li> <li>• Redemption may be delayed if the Reference CDS will or may terminate after the Scheduled Maturity Date of the Securities. Any such delay may be material. Even where an Event Determination Date does not occur, interest payable to Securityholders for the period following the Scheduled Maturity Date may be substantially lower than the fixed rate applicable to the Securities prior to such date. The obligations of the Issuer under the Securities may be suspended pending a resolution of a Credit Derivatives Determinations Committee as to whether a Credit Event has occurred. Securityholders will not be compensated for any such delay.</li> <li>• In making determinations for the purposes of the Securities, the Calculation Agent does not owe any duty to the Securityholders. In making determinations or exercising a discretion for the purposes of the Reference CDS on behalf of: (i) the buyer of credit protection thereunder, the Calculation Agent will act in the interests of the Issuer and not in the interests of the Securityholders, and (ii) the calculation agent under the Reference CDS, the Calculation Agent will act in good faith and in a commercially reasonable manner.</li> <li>• The Issuer is subject to a number of conflicts of interest, including: <ul style="list-style-type: none"> <li>(a) in making certain calculations and determinations, there may be a conflict of interest between the Securityholders and the Issuer;</li> <li>(b) in the ordinary course of its business the Issuer (or an affiliate) may effect transactions for its own account and may enter into hedging transactions with respect to the Securities or the Underlying Asset which may have a negative impact on the liquidity or value of the Securities;</li> <li>(c) the Issuer (or an affiliate, or any employees</li> </ul> </li> </ul>
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		<p>thereof) may have confidential information in relation to the Reference Entity or a derivative instrument referencing the Reference Entity or which may be material to an investor, but which the Issuer is under no obligation (and may be subject to legal prohibition) to disclose; and</p> <p>(d) the Issuer or its affiliates may act as a participation bidder in an Auction relating to the obligations of the Reference Entity and, in such capacity, may take certain actions which may influence the auction final price of the Auction and such participation may have a material adverse effect on the Securities.</p> <ul style="list-style-type: none"> <li>• The levels and basis of taxation on the Securities and any reliefs from such taxation will depend on an Securityholder's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for Securityholders.</li> <li>• The investor may be exposed to currency risk, because the Securities are denominated, or may have a payment in a currency other than that of the country in which the investor is resident. The value of the investment may therefore increase or decrease based on currency fluctuations.</li> </ul>

#### Section E — Offer

Element	Disclosure requirement	
<b>E.2b</b>	Reasons of the offer/use of proceeds	The net proceeds from each issue of Securities will be used to hedge the obligations of the Issuer under the Securities and for general corporate purposes.
<b>E.3</b>	Terms and conditions of the offer	Not applicable, the Securities will not be offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive.
<b>E.4</b>	Interest of natural and legal persons involved in the issue/offer	<p>The Securities will not be offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive.</p> <p>The Issuer and/or any of its affiliates may engage in trading activities (including hedging activities) related to interests underlying any Securities and other instruments or derivative products based on or related to interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also act as underwriter in connection with future offerings of shares or other securities of, or guaranteed by, the Reference Entity or otherwise related to an issue of Securities may act as a lender and/or agent or trustee with respect to any loan or other financing to, or guaranteed by, the Reference</p>

		Entity, and/or may act as financial adviser to companies whose securities impact the return on the Securities. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of the Securities.
<b>E.7</b>	Expenses charged to the investor by the Issuer or an offeror	Not applicable; there are no estimated expenses charged to the investor by the Issuer.

**PART TWO**  
**SECURITIES NOTE**

## **RISK FACTORS**

*Capitalised terms used herein and not otherwise defined shall have the meanings given to them in the Asset Terms for Credit Linked Securities.*

The Securities involve complex risks, which include, among other things, share price risks, credit risks, foreign exchange risks, exchange rate risks, interest rate risks and/or political risks. Before buying the Securities, investors should carefully consider, among other things, (i) the trading price of the Securities, (ii) the value and volatility of the Reference Entity, (iii) the depth of the market or liquidity of the Securities, and (iv) any related transaction costs. An investment in the Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) are capable of evaluating the merits and risks of such an investment. Investors should consult their own financial, tax, legal or other advisers as they consider appropriate and carefully review and consider such an investment decision in the light of the foregoing and their personal circumstances.

**Investors may lose the value of their entire investment or part of it.**

### **1. GENERAL CONSIDERATIONS**

The purchase of Securities involves substantial risks and an investment in the Securities is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them (either alone or in conjunction with an appropriate financial adviser) to evaluate the risks and merits of an investment in the Securities and who have sufficient resources to be able to bear any losses that may result therefrom. The relevant Issuer is acting solely in the capacity of an arm's length contractual counterparty and not as an investor's financial adviser or fiduciary in any transaction.

Before making any investment decision, prospective investors in the Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks involved.

The Issuers believe that the factors described below may affect their abilities to fulfil their respective obligations under the Securities. Most of these factors are contingencies which may or may not occur and which could have a material adverse effect on the relevant Issuer's businesses, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return investors will receive on the Securities. The Issuers do not express a view on the likelihood of any such contingency occurring.

The Issuers believe that the factors described below are material for the purpose of assessing the market risks associated with the Securities and represent the material risks inherent in investing in the Securities, but these are not the only risks that the Issuers face or that may arise under the Securities. There will be other risks that the Issuers do not currently consider to be material, or risks that the Issuers are currently not aware of, or risks that arise due to circumstances specific to the investor, and the Issuers do not represent that the statements below regarding the risks of holding any Securities are exhaustive.

More than one investment risk may have simultaneous effect with regard to the value of the Securities and the effect of any single investment risk may not be predictable. In addition, more than one investment risk may have a compounding effect and no assurance can be given as to the effect that any combination of investment risks may have on the value of Securities.

### **2. RISK ASSOCIATED WITH THE CREDITWORTHINESS OF THE RELEVANT ISSUER**

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



The profitability of the relevant Issuer will be affected by, among other things, changes in global economic conditions, inflation, interest/exchange rates, capital risk, liquidity risk, market risk, credit risk, risks from estimates and valuations, risks relating to off-balance sheet entities, cross-border and foreign exchange risks, operational risks, legal and regulatory risks and competition risks. These risks are discussed in further detail below.

These risk factors should be read together with the risk factors in respect of Credit Suisse AG listed on pages 35 to 42 of the Exhibit to the Form 20-F Dated 3 April 2014 (as defined in the Registration Document). Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them.

### **3. RISKS RELATING TO SECURITIES GENERALLY**

#### **3.1 Loss of investments**

As the Securities do not provide for scheduled repayment in full of an amount at least equal to the issue or purchase price, investors may lose all or part of their investment.

Securities are not deposits, and are not covered by any deposit insurance or protection scheme.

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

The Issue Price in respect of the Securities may be more than the market value of such Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, the Issue Price in respect of any Securities may take into account amounts with respect to commissions relating to the issue and sale of such Securities and amounts relating to the hedging of the Issuer's obligations under such Securities.

#### **3.3 Tax**

Potential investors in the Securities should take note of the information set out in the section headed "Taxation" of this Prospectus. Potential investors in the Securities should conduct such independent investigation and analysis regarding the tax treatment of the Securities as they deem appropriate to evaluate the merits and risks of an investment in the Securities. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the Securities. The level and basis of taxation on the Securities and on the Securityholders and any reliefs from such taxation depend on the Securityholder's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for Securityholders. Potential Securityholders will therefore need to consult their own tax advisers to determine the specific tax consequences of the purchase, ownership, transfer and redemption or enforcement of the Securities.

#### **3.4 The Securities may be redeemed prior to their scheduled maturity**

In certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the Early Payment Amount payable may be less than its original purchase price and could be as low as zero.

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

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

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

#### **4 CREDIT-LINKED SECURITIES GENERALLY**

##### **4.1 Investors will be exposed to the credit risk of the Reference Entity**

The Securities are credit-linked securities. In addition to the credit risk of the Issuer, payments on the Securities are subject to the credit risk of the Reference Entity.

If an Event Determination Date occurs, the Securities will be redeemed in full or in part, as set out in the Asset Terms, by payment of the Credit Event Settlement Amount and the outstanding nominal amount of the Securities will be reduced by the related Credit Event Writedown Amount.

As the Securities are linked to a single Reference Entity, the Credit Event Writedown Amount will be equal to the entire outstanding nominal amount of each Security. The Credit Event Settlement Amount is likely to be considerably less than the entire outstanding nominal amount of each Security which means that Securityholders will accordingly suffer a loss of principal in such case.

In addition, if an Event Determination Date has occurred, interest will cease to accrue on an amount equal to the Credit Event Writedown Amount as a result of such Event Determination Date from the start of the then-current interest accrual period. Securityholders will accordingly suffer a loss of interest in such case.

##### **4.2 A Credit Event may occur even if the Issuer does not suffer any loss**

The Issuer's obligations under the Securities are irrespective of any loss which the Issuer may suffer as a result of the circumstances giving rise to a Credit Event. The Issuer is not required to suffer any such loss as a condition to making a determination as to the occurrence of a Credit Event, nor it is required to have any credit exposure to the Reference Entity at any time.

##### **4.3 Credit Events and Succession Events may occur prior to the Trade Date**

An Event Determination Date may occur, or one or more successor Reference Entities be determined, as a result of a Credit Event or Succession Event, as applicable, that took place prior to the Trade Date. The Issuer shall have no obligation to notify Securityholders as to whether or not a Credit Event or Succession Event has, or may have, taken place prior to the Trade Date.

##### **4.4 The Reference Entity may change as a result of Succession Events**

Following the occurrence of:

- (a) certain corporate events relating to a corporate entity identified as the Reference Entity, such as a merger of the Reference Entity with another entity, a transfer of assets or liabilities by the Reference Entity or other similar event in which an entity succeeds to the obligations of another entity; or
- (b) certain events relating to a sovereign entity identified as the Reference Entity, such as where two sovereign entities are unified to form a single sovereign entity or where a sovereign entity is split as a result of part of such entity becoming independent or declaring political independence,

in each case whether by operation of law or pursuant to any agreement, ISDA may publicly announce that a CDDC has resolved to treat a different entity or entities as the successor(s) to such original entity. If the Issuer determines that such CDDC resolution would apply for purposes of the Reference CDS, then the identity of the Reference Entity will be amended accordingly and Securityholders will be exposed to the credit risk of such successor Reference Entity in place of the original Reference Entity. Alternatively, absent a resolution of

the CDDC, the Calculation Agent may, but will not be obliged to, make a determination that a different entity has become successor to the original Reference Entity. The effect of such amendment may be a material increase in the risk associated with an investment in the Securities, for example where the successor Reference Entity is more indebted than the original Reference Entity or is exposed to different business risks.

If the Reference Entity has more than one successor entity, then Securityholders will be exposed to the creditworthiness of multiple Reference Entities instead of or in addition to the original Reference Entity. The effect may be to materially increase the likelihood of a loss of principal and interest under the Securities as a result of a Credit Event occurring with respect to a number of Reference Entities rather than just one Reference Entity.

#### **4.5 Investors will not have a claim against the Reference Entity or in respect of any Reference Obligations**

A purchase of Securities does not constitute a purchase of the Reference Obligations or any other debt obligations of the Reference Entity, or of any interest in any such obligations. Securityholders will have rights solely against the Issuer of the Securities and will not have any rights against the Reference Entity. In particular, Securityholders will not have:

- (a) the right to vote or give or withhold from giving any consent in relation to any Reference Obligation or any other obligation of the Reference Entity;
- (b) the right to receive any coupons, fees or other distributions which may be paid by the Reference Entity to holders of the Reference Obligation or any of the other debt obligations of the Reference Entity; or
- (c) the right to receive any information from the Reference Entity.

Accordingly, an investment in the Securities is not equivalent to an investment in any Reference Obligation or any other debt obligation of the Reference Entity.

#### **4.6 The market value of the Securities may be affected by a wide variety of factors**

A number of factors, many of which are beyond the Issuer's control, will influence the value of the Securities. In addition to those factors which would affect the value of the Issuer's debt generally, factors specific to the Securities may include:

- (a) the financial condition and perceived creditworthiness of the Reference Entity;
- (b) the availability and payment profile of debt obligations of the Reference Entity;
- (c) liquidity and other technical factors affecting pricing in the credit default swap market;
- (d) the views of analysts at rating agencies; and
- (e) economic, financial, political, regulatory or judicial events that affect the Reference Entity or the markets for the debt securities of the Reference Entity.

Even where a Credit Event has not occurred, the market value of the Securities may be adversely affected when the probability or perceived probability of a Credit Event occurring in respect of the Reference Entity increases.

#### **4.7 The Securities may be illiquid**

Due to the risks associated with the Securities, the Securities may be or become illiquid. The Issuer is not obliged to make a market in the Securities. Accordingly, Securityholders will bear the risk of being unable to liquidate the Securities or having to do so at a price which reflects the prevailing price for the credit risk of the Reference Entity which may lead to a loss of the amount invested.

### **5. RISKS RELATING TO THE REFERENCE CDS**

**5.1 Investors should ensure they understand the terms of the Reference CDS and associated risks**

The terms of the Securities refer to a hypothetical credit default swap referencing the Reference Entity (the "**Reference CDS**"). The Calculation Agent will exercise rights of, and perform determinations to be made by, the buyer of credit risk protection and the calculation agent under the terms of the Reference CDS. In so doing, the Calculation Agent will act in its own interest and has no fiduciary or other duty to act (or to refrain from acting) in the best interests of the Securityholders.

Prior to purchasing any Securities, investors should ensure that they understand the terms of the Reference CDS and the risks associated with entry into such transaction.

**5.2 An investment in the Securities is not equivalent to entry into a Reference CDS**

The terms of the Reference CDS are used solely for the purposes of determining the amounts payable under the Securities, the timing of any such payments and other matters specified in the terms of the Securities. As an investor in the Securities, a Securityholder will not acquire any interest in, or rights under an actual credit default swap, either in relation to the Securities or otherwise. Furthermore, Securityholders may not benefit from rights that would be available to a seller of credit risk protection under a Reference CDS. In particular:

- (a) Securityholders will not have the right (which would be available to a seller of credit risk protection under a Reference CDS) to trigger settlement of the Securities following the occurrence of a "Restructuring" Credit Event; such right will be exercisable solely by the Calculation Agent acting in the Issuer's interests; and
- (b) following such a Credit Event, where, as a result of limitations of the maturity of eligible debt obligations the Reference CDS would not automatically be settled by reference to an Auction sponsored by ISDA, Securityholders will not have the right (which would be available to a seller of credit protection under a Reference CDS) to elect that an auction being held for purposes of settling credit default swaps having a longer maturity than the Reference CDS be taken into account for such purposes.

**6. RISKS RELATING TO SETTLEMENT FOLLOWING A CREDIT EVENT**

**6.1 Investors are likely to suffer a loss of principal as a result of a Credit Event**

If an Event Determination Date occurs with respect to the Reference Entity there will be a reduction in the outstanding nominal amount of each Security. A Securityholder will receive a cash amount (the "**Credit Event Settlement Amount**", which may be zero). The value Securityholders receive may be considerably less than the related reduction in the outstanding nominal amount of the Security, in which case Securityholders may suffer a loss on their investment in the Securities.

If the outstanding nominal amount of a Security is reduced to zero following the occurrence of an Event Determination Date, upon the performance by the Issuer of its obligations under these Asset Terms with respect to such Event Determination Date, the Issuer will be discharged from its obligations and liabilities to Securityholders in respect of such Security, and such Security will be cancelled.

**6.2 Cash settlement may be less advantageous to the investor than physical delivery of assets**

Payments on the Securities following the occurrence of an Event Determination Date will be in cash and will reflect the value of relevant obligations of the affected Reference Entity at a given date. Such payments may be less than the recovery which would ultimately be realised by a holder of debt obligations of the affected Reference Entity, whether by means of enforcement of rights following a default or receipt of distributions following the commencement of insolvency proceedings or otherwise.

**6.3 Risks relating to settlement by reference to an auction sponsored by ISDA**

- (a) Where, following the occurrence of an Event Determination Date, ISDA sponsors an Auction in relation to the Reference Entity and the Calculation Agent determines for purposes of the Securities that such Auction would apply for purposes of settlement of a Reference CDS, the Credit Event Settlement Amount will be determined according to a bidding process to establish the value of certain eligible obligations of the Reference Entity, which may be loans, bonds or other obligations issued directly by the Reference Entity or obligations in respect of which the Reference Entity acts as guarantor. The Issuer or its affiliates may act as a participating bidder in any such auction and, in such capacity, may take certain actions which may influence the Auction Final Price including (without limitation) submitting bids, offers and physical settlement requests with respect to the obligations of the Reference Entity. If the Issuer or its affiliates participate in an Auction, then they will do so without regard to the interests of Securityholders, and such participation may have a material adverse effect on the outcome of the relevant Auction and/or on the Securities. Securityholders will have no right to submit bids and/or offers in an Auction.
- (b) 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 specified Reference Entity or its obligations. In particular, the Auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. The Issuer will have no responsibility to dispute any determination of an Auction Final Price or to verify that any Auction has been conducted in accordance with its rules.
- (c) Following a Restructuring Credit Event in relation to which ISDA sponsors multiple concurrent auctions, but where there is no auction relating to credit derivative transactions with a maturity of the Reference CDS, if the Calculation Agent exercises the right of the buyer of credit risk protection under the Reference CDS to elect that the Auction Final Price is determined by reference to an alternative Auction, the Auction Final Price so determined may be lower than the amount which would have been determined based on quotations sought from third party dealers.

#### **6.4 Risk relating to settlement by reference to bid prices obtained by the Calculation Agent**

If the Calculation Agent determines that there is or will be no relevant Auction, the Credit Event Settlement Amount will be determined by reference to the value of certain obligations of, or guaranteed by, the affected Reference Entity. Such value will be determined by reference to quotations obtained for such obligations from third party dealers. Any quotations used in the calculation of the Cash Settlement Amount may be affected by factors other than just the occurrence of the Credit Event. Such prices may vary widely from dealer to dealer and substantially between dates on which such quotations are sought. The obligations valued for these purposes may be illiquid and such illiquidity may be more pronounced following the occurrence of a Credit Event, thereby adversely affecting the value of such obligation which in turn will reduce the Credit Event Settlement Amount of the Securities for such Event Determination Date. Such quotations will also be subject to bid-offer spreads, which may be particularly significant in distressed markets. The Calculation Agent, acting in the place of the buyer of credit risk protection under the Reference CDS, will be entitled to select obligations for the purposes of valuation and in so doing will be entitled to select the eligible obligations with the lowest value in the market at the relevant time. This will operate to reduce the Credit Event Settlement Amount payable to Securityholders

### **7. POSTPONEMENT OF REDEMPTION AND SETTLEMENT SUSPENSION**

#### **7.1 Redemption of the Securities may be deferred**

Prospective investors should note that redemption may be delayed if the Reference CDS will or may terminate after the Scheduled Maturity Date of the Securities. This may occur, for example, where:

- (a) a potential Credit Event such as a Failure to Pay or Repudiation/Moratorium has occurred prior to the Scheduled Termination Date of the Reference CDS and the

termination of the Reference CDS is extended for a certain period beyond the Scheduled Termination Date; or

- (b) a resolution of a CDDC is pending.

This may have an adverse effect, amongst other things, on the accrual of interest in respect of the Securities. Any such delay may be material. Even where an Event Determination Date does not occur, interest payable to Securityholders for the period following the Scheduled Maturity Date may be substantially lower than any coupon rate applicable to the Securities prior to such date.

## **7.2 Settlement Deferral**

- (a) As "Settlement Deferral" is applicable then, following the occurrence of an Event Determination Date, any consequent payment or delivery to the Securityholders (including, if applicable, the redemption in full of the Securities) will be deferred until the Deferred Settlement Date as specified in the Specific Terms. In such case, interest will not accrue on the Credit Event Settlement Amount.
- (b) It should also be noted that the amounts payable in respect of the Securities will continue to be determined by reference to the settlement provisions (and related timing) under the Reference CDS. Accordingly the Securityholders will not benefit from any subsequent increase in the value of any obligations used to determine the Credit Event Settlement Amount.

## **7.3 Settlement Suspension**

The obligations of the Issuer under the Securities may be suspended pending a resolution of a CDDC as to whether a Credit Event has occurred. Securityholders will not be compensated for any such delay.

# **8. RISKS RELATING TO CREDIT DERIVATIVES DETERMINATIONS COMMITTEES**

## **8.1 Resolutions of a CDDC may bind Securityholders**

Credit Derivative Determinations Committees established by ISDA (referred to in the terms of the Securities as "CDDCs") may make determinations as to the occurrence or non-occurrence of certain events in respect of credit default swap transactions. Such determinations include the occurrence or non-occurrence of Credit Events, the determination as to whether one or more entities should be treated as successors to the Reference Entity, whether one or more Auctions should take place in relation to the Reference Entity and the range of obligations of such Reference Entity, which may be direct loans, bonds or other obligations issued by the Reference Entity itself, or obligations in respect of which the Reference Entity is a guarantor, that should be taken into account in any such Auction. A CDDC may also resolve any other matter of contractual interpretation that is relevant to the credit derivatives market generally. To the extent that any such CDDC resolution would be effective for the purposes of a Reference CDS, such resolution will apply for the purposes of the Securities and will be binding on the Securityholders. In purchasing Securities, Securityholders are therefore subject to the risk that a third party body may make binding decisions which could be adverse to their interests. The Issuer will not have any liability to the Securityholders as a result of any determination of the CDDC that would affect the Reference CDS.

## **8.2 Members of a CDDC may vote on their own interests and are not bound by precedent**

Institutions serving on a CDDC have no duty to research or verify the veracity of information on which a specific determination is based. Institutions serving on a CDDC are under no obligation to vote other than in accordance with their own interests. In addition, a CDDC is not obliged to follow previous determinations and, therefore, could reach a conflicting determination on a similar set of facts.

The Issuer or its affiliates may be a member of a CDDC and as such may have conflicts of interest. In such case, the interests of the Issuer or its affiliates may be opposed to the Securityholders' interests and they will be entitled to and will act without regard to the Securityholders' interests as a holder of Securities.

**8.3 Securityholders will have no control over the composition of a CDDC**

The Securityholders will have no role in the composition of any CDDC. The composition of the CDDC will change from time to time, as the term of a member institution may expire or a member institution may be required to be replaced. The Securityholders will have no control over the process for selecting institutions to participate on the CDDC and, to the extent provided for in the Securities, will be subject to the determinations made by such selected institutions in accordance with the Rules.

**8.4 Securityholders will have no right to submit questions to a CDDC**

The Securityholders will not have any right to submit questions to or provide information to a CDDC, to challenge any CDDC resolution or determination of a CDDC or to request that any such determination or CDDC resolution be submitted for external review.

**8.5 Securityholders will have no recourse against ISDA or the members of a CDDC**

The Securityholders will have no recourse against ISDA, the institutions serving on the CDDC or any external reviewers. None of ISDA, the institutions serving on the CDDC or the external reviewers owe any duty to the Securityholders.

**8.6 Securityholders must inform themselves of the proceedings of the CDDCs**

The Securityholders will be responsible for obtaining information relating to the proceedings of CDDCs. None of the Issuer, the Calculation Agent or any of their respective affiliates will be obliged to inform the Securityholders of such information. Failure by the Securityholders to be aware of information relating to determinations of a CDDC will have no effect under the Securities.

**9. INFORMATION ON THE REFERENCE ENTITY**

**9.1 This Prospectus not provide detailed information with respect to the Reference Entity**

This Prospectus does not provide detailed information with respect to the Reference Entity. Any information contained in this Prospectus in relation to the Reference Entity will be obtained from publicly available sources. In particular, this Prospectus does not describe any financial or other risks relating to the business or operations of the Reference Entity in general, or the debt obligations of the Reference Entity in particular. The Issuer does not make any representation or give any assurance as to the risks associated with the Reference Entity or an investment in the Securities which is subject to the credit risk of the Reference Entity.

Prior to purchasing any Securities, Securityholders should ensure that they have made any investigations that they consider necessary as to the risks associated with the Reference Entity.

**9.2 Public information relating to the Reference Entity may be incomplete, inaccurate or misleading**

Publicly available information in relation to the Reference Entity may be incomplete, inaccurate or misleading. The Issuer does not have any obligation to verify the accuracy of any such information. The Issuer does not make any representation that any such information is complete or accurate or not misleading.

Furthermore, the Issuer gives no assurance that all events occurring prior to the Trade Date or Issue Date (including events that would affect the accuracy or completeness of any publicly available documents) that would affect the creditworthiness of the Reference Entity have been

publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or failure to disclose, material future events concerning the Reference Entity could affect its creditworthiness and therefore the market value of the Securities, the likelihood of an Event Determination Date occurring in relation to the Reference Entity and the resulting Credit Event Settlement Amount.

**9.3 The Issuer or its affiliates may have or obtain information about the Reference Entity that will not be shared with the Securityholders**

The Issuer or its affiliates may currently or in the future engage in business with the Reference Entity, including acting as lender or advisor, dealing in each Obligation and accepting deposits from, making loans or otherwise extending credit to, and generally engaging in any kind of commercial or investment banking or other business with, the Reference Entity. The Issuer or its affiliates will pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for the Securityholders should its actions adversely impact the amount payable to Securityholders. The Issuer or its affiliates may have, or in the course of its business may acquire, non-public information with respect to the Reference Entity that is, or may be, material in the context of the Securities. The Issuer has no responsibility to, and it will not, disclose any such information to the Securityholders.

The Issuer is not under any obligation (i) to review on the Securityholders' behalf, the business, financial conditions, prospects, creditworthiness, status or affairs of the Reference Entity or conduct any investigation or due diligence into the Reference Entity or (ii) other than as may be required by applicable rules and regulations relating to the Securities, to make available (a) any information relating to the Securities or (b) any non-public information they may possess in respect of the Reference Entity.

Past performance of the Reference Entity cannot be considered to be a guarantee of, or a guide to, the future performance of the Reference Entity.

**10. RISKS ARISING FROM HEDGING ACTIVITIES OF THE ISSUER AND ITS AFFILIATES**

In the ordinary course of its business, including without limitation, in connection with its market making activities, the Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in obligations of the Reference Entity/Entities (including the Reference Obligations, if any, under the Reference CDS) or related derivatives. In addition, in connection with the offering of the Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Entity/Entities, the Reference Obligations or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Entity/Entities, the Reference Obligations or related derivatives which may affect the market price, liquidity or value of the Securities and which could be adverse to the interests of the relevant Securityholders.

**11. POTENTIAL CONFLICTS OF INTEREST**

The Issuer and/or any of its affiliates may engage in trading activities (including hedging activities) related to interests underlying any Securities and other instruments or derivative products based on or related to interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also act as underwriter in connection with future offerings of shares or other securities of, or guaranteed by, the Reference Entity or otherwise related to an issue of Securities may act as a lender and/or agent or trustee with respect to any loan or other financing to, or guaranteed by, the Reference Entity, and/or may act as financial adviser to companies whose securities impact the return on the Securities. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of the Securities.



**12. CALCULATION AGENT DETERMINATIONS**

**12.1 Calculation Agent determinations will be binding on the Securityholders**

Any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the Securityholders.

**12.2 The Calculation Agent does not act for the Securityholders**

In making determinations for the purposes of the Securities, the Calculation Agent does not owe any duty to the Securityholders. It will act in the interests of the Issuer and not in the interests of the Securityholders in such regard.

## DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with the following document which shall be deemed to be incorporated by reference in, and form part of, this document, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The Form 6-K of the Issuer filed with the SEC on 2 May 2014, which contains the 2014 First Quarter Financial Report of Credit Suisse Group AG and its consolidated subsidiaries (the "**Group**") within which there is unaudited information for the Group for the three months ended 31 March 2014 is incorporated by reference herein, except that that the information on pages 1-2 under "Dear Shareholders" is not incorporated by reference.

Credit Suisse Group AG, the ultimate parent company of the Issuer, and the Issuer file annual and current reports, including interim financial information, with the SEC on Forms 20-F and 6-K. The SEC filings of the Credit Suisse Group AG and the Issuer are available on the Credit Suisse Group AG's website at [https://www.credit-suisse.com/investors/en/information/financial\\_reports.jsp#](https://www.credit-suisse.com/investors/en/information/financial_reports.jsp#).

Any non-incorporated parts of a document referred to herein are either deemed not relevant for the investor or are otherwise covered elsewhere in this document or the Registration Document.

Copies of this document will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, the documents incorporated by reference in this document will be available on the Irish Stock Exchange's website ([www.ise.ie](http://www.ise.ie)) and copies of such documents will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of the relevant Issuer or the relevant Branch, if applicable.

## SPECIFIC TERMS

The Securities will be subject to the General Terms and Conditions of Notes (the "**General Conditions**") set out herein, as supplemented and modified by the Asset Terms for Credit-linked Securities (the "**Asset Terms**") set out herein and also to the following provisions (the "**Specific Terms**"). Each reference in such General Conditions and Asset Terms to the "Pricing Supplement" shall be deemed to be deleted and replaced by the "Specific Terms". In the case of a discrepancy or conflict with such General Conditions or Asset Terms, the Specific Terms shall prevail.

1	<b>Issuer</b>	Credit Suisse AG
	Branch	London Branch
2	<b>Series Number:</b>	SPLB2014-184
3	<b>Tranche Number:</b>	One
4	<b>Applicable General Terms and Conditions:</b>	Notes
5	<b>Specified Currency or Currencies:</b>	EUR
6	<b>Aggregate Nominal Amount:</b>	
	(i) Series:	EUR 5,000,000
	(ii) Tranche:	EUR 5,000,000
7	<b>Issue Price:</b>	100 per cent. of the Aggregate Nominal Amount
8	<b>Specified Denominations:</b>	EUR 50,000 and integral multiples of EUR 1,000 thereafter
9	<b>Issue Date/Payment Date:</b>	17 April 2014
10	<b>Maturity Date:</b>	27 June 2021 (the " <b>Scheduled Maturity Date</b> "), subject to adjustment in accordance with the Following Business Day Convention, provided that the maturity of the Securities shall be subject to deferral in accordance with the Asset Terms for Credit-linked Securities
11	<b>Interest Basis:</b>	Fixed Rate
12	<b>Premium Basis:</b>	Not applicable
13	<b>Redemption/Payment Basis:</b>	Credit-linked
	Principal Protection:	Not applicable
14	<b>Put/Call Options:</b>	Not applicable

## PROVISIONS RELATING TO INTEREST AND PREMIUM

15	<b>Fixed Rate Provisions</b>	Applicable
(i)	Rate of Interest:	5.40 per cent. per annum
(ii)	Interest Commencement Date:	Issue Date
(iii)	Interest Payment Date(s):	27 June in each year, commencing on, and including, 27 June 2015 and ending on, and including, the Scheduled Maturity Date, in each case, subject to adjustment in accordance with the Business Day Convention
(iv)	Business Day Convention:	Following Business Day Convention
(v)	Interest Amount:	Not applicable
(vi)	Broken Amount:	Not applicable
(vi)	Day Count Fraction:	30/360 (unadjusted)
(vii)	Determination Date:	Not applicable
(viii)	Other terms relating to the method of calculating interest for Fixed Rate Securities:	Applicable Each Interest Period shall commence on or end on, as the case may be, the date on which the relevant Interest Payment Date is scheduled to fall, disregarding any adjustment to such Interest Payment Date pursuant to the Business Day Convention
16	<b>Floating Rate Provisions</b>	Not applicable
17	<b>Premium Provisions:</b>	Not applicable

## PROVISIONS RELATING TO REDEMPTION

18	<b>Redemption Amount:</b>	The Redemption Amount of each Security will be the amount determined in accordance with the Conditions
19	<b>Settlement Currency:</b> ( <i>Currency in which payments will be made</i> )	The Specified Currency
20	<b>Adjustments Convention</b>	Not applicable
21	<b>Details relating to Instalment Securities</b>	Not applicable
22	<b>Call Option:</b>	Not applicable
23	<b>Put Option:</b>	Not applicable
24	<b>Underlying Assets</b>	Not applicable

25	<b>Equity-linked Securities</b>	Not applicable
26	<b>Equity Index-linked Securities</b>	Not applicable
27	<b>Commodity-linked Securities</b>	Not applicable
28	<b>Commodity Index-linked Securities</b>	Not applicable
29	<b>Fund-linked Securities</b>	Not applicable
30	<b>FX-linked Securities</b>	Not applicable
31	<b>FX Index-linked Securities</b>	Not applicable
32	<b>Inflation Index-linked Securities</b>	Not applicable
33	<b>Interest Rate Index -linked Securities</b>	Not applicable
34	<b>Cash Index-linked Securities</b>	Not applicable
35	<b>Adjustments Convention:</b>	Not applicable
36	<b>Credit-linked Securities</b>	Applicable
	(i) Type:	The Securities are Single Name Credit-linked Securities
	(ii) Trade Date:	21 March 2014
	(iii) Scheduled Termination Date:	Scheduled Maturity Date
	(iv) Reference Entity(ies):	Brisa - Concessao Rodoviaria SA
	(v) Reference Entity Notional Amount(s):	As determined in accordance with the Asset Terms for Credit-linked Securities
	(vi) Reference Obligation(s):	Not applicable
	(vii) Transaction Type:	Applicable: European Corporate
	(viii) Leveraged Credit-linked Securities:	Not applicable
	Leverage Factor:	Not applicable
	(ix) Principal Protected Credit-linked Securities:	Not applicable
	(x) Zero Recovery Credit-linked Securities:	Not applicable
	(xi) Settlement Deferral:	Applicable
	Deferred Settlement	The date that is the later of:

- Date:
- (a) the Maturity Date (for the avoidance of doubt, subject to deferral in accordance with the Asset Terms for Credit-linked Securities including without limitation, Asset Term 2.4); and
  - (b) the Credit Event Settlement Date
- (xii) Additional provisions relating to Credit-linked Securities, including any amendment or variation to the Reference CDS or Asset Terms for Credit-linked Securities:
- For the purposes of determining the Auction Final Price, the Relevant Auction Seniority shall be "Senior" and the Reference Obligation shall be PTBRIHOM0001. For the avoidance of doubt, where the Credit Event Settlement Amount is determined by reference to a Final Price, the Final Price shall be determined in accordance with the definition thereof in the Asset Terms

## GENERAL PROVISIONS

- 37 (i) **Form of Securities:** Bearer Securities
- (ii) **Global Security:** Permanent Global Security
- 38 **Financial Centre(s):** London and TARGET Business Day
- Business Centre: London and TARGET Business Day
- 39 **Minimum Transferable Number of Securities:** Not applicable
- 40 **Listing and Admission to Trading:**
- (i) Stock Exchange(s) to which application will initially be made to list the Securities: (Application may subsequently be made to other stock exchange(s)) Irish Stock Exchange
- (ii) Admission to trading: Application has been or will be made for the Securities to be admitted to trading on the Regulated Market of the Irish Stock Exchange to take effect on the Issue Date or as soon thereafter as practicable. However, no assurance can be given that the Securities will be admitted to trading on such market on the Issue Date or any date thereafter
- 41 **Entities (other than stock exchanges) to which application for listing and/or approval of the Securities will be made:** Not applicable

42	<b>Security Codes and Ticker Symbols:</b>	
	ISIN Code:	XS1000954161
	Common Code:	100095416
	Swiss Security Number:	Not applicable
	Telekurs Ticker:	Not applicable
	WKN number:	Not applicable
43	<b>Clearing and Trading:</b>	
	Clearing System(s) and any relevant identification number(s):	Euroclear Bank S.A./N.V. and Clearstream Banking, SA, Luxembourg
	Delivery of Securities:	Delivery against payment
	Minimum Trading Lot:	Not applicable
44	<b>Agents:</b>	
	Calculation Agent:	Credit Suisse International One Cabot Square London E14 4QJ
	Fiscal Agent/Principal Certificate Agent:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL
	Paying Agents:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL
	Additional Agents:	Not applicable
45	<b>Co-Structurer:</b>	Not applicable
46	<b>Dealer(s):</b>	Credit Suisse International
47	<b>Additional steps that may only be taken following approval by Extraordinary Resolution:</b>	Not applicable
48	<b>Specified newspaper for the purposes of notices to Securityholders:</b>	Not applicable
49	<b>Additional Provisions</b>	TEFRA does not apply as Notes cannot be issued in definitive bearer form

### **INFORMATION RELATING TO THE UNDERLYING ASSET**

Information on the Reference Entity is available at [www.brisaconcessao.pt/en/](http://www.brisaconcessao.pt/en/) (but the information appearing on such website does not form part of this Prospectus or the terms and conditions of the Securities).

Details of the past and further performance and volatility of the Reference CDS may be obtained from the Issuer upon request. However, past performance is not indicative of future performance. The Bloomberg ticker in respect of the Reference CDS as at the date of this document is CY087848.



## **GENERAL INFORMATION**

1. The issue of the Securities is made in accordance with the Organisational Guideline and Regulation of Credit Suisse AG dated 24 October 2012. No specific resolution of the Board of Directors of the Issuer was required.
2. Copies of the Agency Agreement will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agent. In addition copies of the following will be available free of charge at the principal office of the Paying Agent and at the registered office of the Issuer, during usual business hours on any weekday (Saturdays and public holidays excepted):
  - (i) the Memorandum and Articles of Association of the Issuer;
  - (ii) the audited accounts of the Issuer for the last two years;
  - (iii) the Registration Document;
  - (iv) the Summary and Securities Note; and
  - (v) the Agency Agreement and any supplement thereto.
3. The appointed Irish listing agent in respect of the Securities is A&L Listing Limited.
4. There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries since 31 December 2013. There has been no significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since 31 December 2013.
5. Except as disclosed in (i) the Form 6-K/A Dated 3 April 2014 under the heading "Litigation" (note 29 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 159-161 of the Exhibit to the Form 6-K/A Dated 3 April 2014); and (ii) the Annual Report 2013 under the heading "Litigation" (note 38 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 330-336 of the Exhibit to the Form 20-F Dated 3 April 2014), there are no, and have not been during the period of 12 months ending on the date of this document, governmental, legal or arbitration proceedings which may have, or have had in the past, significant effects on the Issuer's financial position or profitability, and the Issuer is not aware of any such proceedings being either pending or threatened.

## ASSET TERMS FOR CREDIT-LINKED SECURITIES

The following asset terms (the "**Asset Terms**") shall, subject to the relevant General Conditions of Notes and the provisions of the Specific Terms, apply to the Securities.

### 1. THE REFERENCE CDS

#### 1.1 The Reference CDS is a Hypothetical Credit Default Swap

For the purposes of making calculations under the Securities only (and for no other purpose), the Issuer is assumed to have entered into a hypothetical credit default swap transaction (the "**Reference CDS**") as a buyer of credit risk protection on the Trade Date specified in the Pricing Supplement with a market counterparty of the highest creditworthiness.

#### 1.2 Terms of the Reference CDS

The terms of the Reference CDS are determined as follows:

- (a) The Reference CDS is assumed to have been entered into on the basis of the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. (together with any successors, "**ISDA**"), as supplemented by the July 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement thereto (as so supplemented, the "**2003 Definitions**") and as further supplemented or amended or amended as may be set out in the Pricing Supplement. The Reference CDS is assumed to be subject to English law.
- (b) Where the Pricing Supplement specifies a "Transaction Type" in relation to a Reference Entity, the 2005 Matrix Supplement to the 2003 Definitions shall apply and relevant terms of the Reference CDS as applicable to such Reference Entity shall, except to the extent otherwise specified in the Pricing Supplement, be determined by reference to a Credit Derivatives Physical Settlement Matrix published by ISDA.
- (c) Where the Securities are Nth to Default Credit-linked Securities (as specified in the Pricing Supplement), the Nth to Default Standard Terms Supplement (as published by ISDA on September 22, 2011) (the "**Nth to Default Standard Terms Supplement**") shall, except to the extent specified in the Pricing Supplement, apply, for which purpose "N" shall be the number specified as such in the Pricing Supplement).
- (d) Any remaining terms of the Reference CDS shall be as set out in the Pricing Supplement.
- (e) The terms of a Reference CDS shall be assumed to have been amended in accordance with any protocol published by ISDA which amends the terms of credit default swap transactions of the same type as the Reference CDS generally, provided that the Issuer and its affiliates have adhered to such protocol in respect of credit derivatives transactions to which they are a party generally. The Calculation Agent shall notify the Securityholders (in accordance with Condition 13) of any such modifications, as soon as reasonably practicable upon becoming aware thereof.

#### 1.3 Exercise of Rights and Discretions under the Reference CDS

Where the terms of the Reference CDS require or entitle the buyer of credit protection or the calculation agent thereunder to make a determination or calculation or election or exercise a

discretion, such determination, calculation, election or discretion shall be made or exercised by the Calculation Agent. For such purpose, where the Calculation Agent is making a determination or calculation or election or exercising a discretion under the Reference CDS:

- (a) on behalf of buyer of credit protection thereunder, it shall do so acting in the interests of such buyer (and hence of the Issuer) and shall not be required to have any regard to the interests of the hypothetical seller of credit protection or of the Securityholders; and
- (b) on behalf of the calculation agent thereunder, it shall do so in good faith and in a commercially reasonable manner.

The Calculation Agent shall not be entitled to and shall not exercise any right which would be a right of the protection seller under the Reference CDS.

## **2. REDEMPTION**

### **2.1 Redemption on Scheduled Maturity Date or Extended Maturity Date**

Unless previously redeemed, or purchased by the Issuer and cancelled and subject to the remaining provisions of this Asset Term 2, each Security shall be redeemed on the Scheduled Maturity Date by the Issuer at its Outstanding Nominal Amount (as reduced in accordance with Asset Term 2.2 (*Reduction in Outstanding Nominal Amount*)) less a pro rata proportion of the Reference Entity Notional Amount (or, if applicable, the relevant Exercise Amount) of any Reference Entity for which an Event Determination Date has occurred under the Reference CDS but the related Credit Event Settlement Date has not yet occurred.

### **2.2 Reduction in Outstanding Nominal Amount following Event Determination Date**

On each Event Determination Date, the Outstanding Nominal Amount of each Security will be reduced by an amount equal to the applicable Credit Event Writedown Amount for such Security. If the Outstanding Nominal Amount of a Security is reduced to zero on an Event Determination Date then, upon the performance by the Issuer of its obligations under these Asset Terms with respect to such Event Determination Date and all prior occurring Event Determination Dates (including payment of any related Credit Event Settlement Amount), the Issuer will be discharged from its obligations and liabilities to the Securityholder in respect of such Security, and such Security will forthwith be cancelled by the Paying Agent.

### **2.3 Payment of Credit Event Settlement Amount**

On each Credit Event Settlement Date, unless such payment is deferred in accordance with Asset Term 2.7 (*Settlement Deferral*) or suspended in accordance with Asset Term 2.9 (*Settlement Suspension*) below, the Issuer shall pay to each Securityholder the relevant Credit Event Settlement Amount (as defined below) related to each Security.

### **2.4 Redemption at Extended Maturity Date**

If, as at the Scheduled Maturity Date, the conditions to settlement specified under the terms of the Reference CDS could be satisfied subsequent to the Scheduled Maturity Date in respect of any Reference Entity (including where the stipulated conditions to settlement of the Reference CDS may be satisfied after such date in relation to a Credit Event which has occurred on or prior to such date), redemption of the Securities will be deferred, to the extent of the maximum possible Credit Event Writedown Amount which could be determined as a result, to the date (the "**Extended Maturity Date**") selected by Calculation Agent and falling

not later than the five Business Days after the date on which it is no longer possible that the conditions to settlement could so satisfied in relation to any Reference Entity (or any earlier date selected by the Calculation Agent for such purpose). In such case:

- (a) the Calculation Agent, acting on behalf of the Issuer, will, within ten Business Days of becoming aware of any deferral of maturity as set out above, use reasonable endeavours to give notice to the Securityholders of such deferral, briefly describing the facts or events which have given rise to such deferral. The Calculation Agent may give multiple such notices; and
- (b) Asset Terms 2.2 (*Reduction in Outstanding Nominal Amount following Event Determination Date*) and 2.3 (*Payment of Credit Event Settlement Amount*) shall continue to apply; and
- (c) the Issuer shall pay to the Securityholders on the Extended Maturity Date an additional amount representing interest on the amount paid on such date in redemption of the Securities from and including the Scheduled Maturity Date to but excluding the Extended Maturity Date at the relevant overnight rate for deposits in the Specified Currency. Save as set out above no further interest shall be payable on the Securities in respect of any period commencing on or after the Scheduled Maturity Date.

## **2.5 Nth to Default Credit Linked Securities**

If the Securities are Nth to Default Credit-linked Securities, Asset Terms 2.2 (*Reduction in Outstanding Nominal Amount following Event Determination Date*) and 2.3 (*Payment of Credit Event Settlement Amount*) shall apply solely to the Nth to Default Reference Entity (as defined below).

## **2.6 Principal Protected Credit-Linked Securities**

Notwithstanding the occurrence of one or more Event Determination Dates under the Reference CDS, if the Pricing Supplement specifies that the Securities are "Principal Protected Credit-Linked Securities", each Security shall be redeemed on the Scheduled Maturity Date by the Issuer at:

- (a) 100 per cent of its Specified Denomination if the Securities are "Fully Principal Protected" (as specified in the Pricing Supplement); or
- (b) a specified portion of its Specified Denomination, if the Securities are "Partially Principal Protected" (as specified in the Pricing Supplement).

## **2.7 Zero Recovery Credit-Linked Securities**

Notwithstanding Asset Term 2.3 (*Payment of Credit Event Settlement Amount*) no Credit Event Settlement Amount is payable in respect of Zero Recovery Credit-Linked Securities.

## **2.8 Settlement Deferral**

If "**Settlement Deferral**" is specified as applicable in the Pricing Supplement then, notwithstanding the occurrence of an Event Determination Date on or prior to the Deferred Settlement Date, payment of the Credit Event Settlement Amount and any other amount otherwise payable on the Credit Event Settlement Date will be deferred to the Deferred Settlement Date. For clarification, the amounts which are payable under the Securities will continue to be determined by reference to the settlement provisions of the Reference CDS,

and at the times and in the manner provided for therein and in these Asset Terms and the Outstanding Nominal Amount of each Security shall continue to be reduced by the applicable Credit Event Writedown Amount with effect from and including the Event Determination Date.

No additional payments (including, without limitation, any interest on the related Credit Event Settlement Amount) shall be made, or compensation otherwise provided, in respect of any Security in respect of which the provisions of this Asset Term 2.7 apply.

## 2.9 **Settlement Suspension**

If the Calculation Agent determines that, under the terms of the Reference CDS, the obligations of the parties would be suspended pending a resolution of a CDDC, then, subject to Asset Term 2.4 (*Redemption at Extended Maturity Date*), all of the obligations of the Issuer under each Security (including any obligation to deliver any notices, pay any interest, principal or settlement amount or to make any delivery) shall, be and remain suspended until ISDA publicly announces that the relevant CDDC has resolved the matter in question or not to determine such matters. No interest shall accrue on any payments which are suspended in accordance with the above. The Calculation Agent shall notify the Securityholders (in accordance with Condition 13) as soon as reasonably practicable upon becoming aware of any such suspension.

## 2.10 **Credit Event Notice after Restructuring Credit Event**

If, following the occurrence of a "Restructuring" Credit Event under the terms of the Reference CDS, the Calculation Agent exercises the right of the protection buyer under the Reference CDS to trigger settlement of the Reference CDS in relation to an amount (the "**Exercise Amount**") that is less than the then-current Reference Entity Notional Amount of such Reference Entity under such Reference CDS, then, the provisions of this Asset Term 2 shall, with respect to such Event Determination Date, be deemed to apply to the Exercise Amount only, the Reference Entity Notional Amount in respect of such Reference Entity shall be deemed to be reduced by the applicable Exercise Amount and one or more further Event Determination Dates (and related settlements under the provisions of this Asset Term 2) may occur with respect to the applicable Reference Entity.

In the case of Nth to Default Credit-linked Securities, if an Event Determination Date has occurred in respect of the Nth to Default Reference Entity as a result of a "Restructuring" Credit Event and notwithstanding that the Exercise Amount may be less than the Reference Entity Notional Amount, no Event Determination Date may occur in respect of any Reference Entity other than the Nth to Default Reference Entity.

## 2.11 **Accrual of interest**

Notwithstanding the General Conditions, with respect to each Event Determination Date, interest shall cease to accrue on the amount by which the Outstanding Nominal Amount of a Security is reduced pursuant to Asset Term 2.2 (*Reduction in Outstanding Nominal Amount following Event Determination Date*) as a consequence of such Event Determination Date from and including the first day of the Interest Period during which such Event Determination Date occurred.

## 3. **SUCCESSORS**

- 3.1 Where ISDA publicly announces that a relevant CDDC has resolved that any one or more entities has been identified as a successor to a Reference Entity, and such resolution would

be applicable to the Reference CDS, such successor entity or entities shall thereupon be the successor(s) to the relevant Reference Entity for the purposes of the Securities. Where there is more than one such successor to any Reference Entity, and, accordingly, the Reference CDS would be divided into a corresponding number of "New Credit Derivative Transactions", each referencing one of such successors, the Securities shall be deemed to be split into a number of classes (each, a "**Class**") equal to the number of such successors and each such New Credit Derivative Transaction shall become the Reference CDS with respect to one such Class.

3.2 Where multiple Classes of the Securities exist as a result of this Asset Term 4, then the provisions of Asset Terms 2 (*Redemption*) shall apply only in respect of the relevant Class(es) of Securities for which the Applicable Entity is a Reference Entity and, accordingly, all references to "the Securities" in Asset Terms 2.8 (*Settlement Deferral*) shall be read and construed as references to "the relevant Class(es) of Securities for which the Applicable Entity is a Reference Entity".

3.3 If two or more Reference Entities are subject to one or more Succession Events simultaneously or the order of such Succession Events cannot be determined from Best Available Information, then each such Reference Entity shall be deemed to have been subject to a separate Succession Event, with all such Succession Events occurring in the order determined by the Calculation Agent.

#### 4. **ADJUSTMENTS TO EVENT DETERMINATION DATE AND RELATED PAYMENTS**

If, following the determination by a CDDC that an Event Determination Date has occurred, ISDA publicly announces that the relevant CDDC has resolved that such Event Determination Date occurred on a date that is different from the date first determined or that no Event Determination Date occurred, or such Event Determination Date is determined to have occurred prior to the immediately preceding Interest Payment Date, the Calculation Agent will determine, acting in a commercially reasonable manner, any additional amount payable to the Securityholder(s) to reflect any scheduled payment that was due but not paid in respect of the Securities or any reduction in any subsequent amount that would otherwise subsequently be payable to the Securityholders to reflect any payment that was paid but was not due in respect of the Securities. No accruals of interest shall be taken into account when calculating any such adjustment payment.

In the case of Securities represented by a Global Security or a Global Certificate, if an amount would be payable to a Securityholder as set out above, but such amount is not determined until after the date on which the Securities are redeemed in full, the Issuer shall make such payment to the persons who are shown in the records of the Clearing Systems as being the Accountholder at, failing which immediately prior to, the time of redemption, subject to receipt from such persons of such evidence and indemnities as the Issuer may require.

#### 5. **CALCULATION AGENT AND CDDC**

##### 5.1 **The Calculation Agent**

Subject to the express provisions of the Asset Terms, if any provision of this document permits a determination or calculation to be made by the Calculation Agent, acting in any capacity, during a particular period of time, it may make it at any time during that period and no failure or delay to make it at a particular time within such period shall be deemed to be a waiver of its ability to make it later in that period or in any subsequent period during which it

may make it. In acting under the Agency Agreement in respect of the Securities, the Calculation Agent is acting solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Securityholder, and any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the Securityholders.

## 5.2 Resolutions of CDDCs

Resolutions of the Credit Derivatives Determinations Committees ("**CDDCs**" and each a "**CDDC**") established by ISDA will be binding on the Issuer and the Securityholders if and to the extent that such resolutions would be binding on the parties to the Reference CDS. Neither the Issuer nor the Calculation Agent will have any liability to the Securityholders or any other person as a result of relying on any resolution of a CDDC.

## 6. DEFINITIONS

In these Asset Terms:

**"2003 Definitions"** has the meaning given in Asset Term 1.2 (*Terms of the Reference CDS*);

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly the person or any entity under direct or indirect common control with the person. As used herein "control" means the ownership of a majority of the voting power of the entity or, as the case may be, the person and "controlled by" and "controls" shall be construed accordingly;

**"Aggregate Nominal Amount"** means, at any time, an amount equal to the aggregate of the Outstanding Nominal Amounts of all Securities at that time;

**"Auction"** means a credit derivatives auction sponsored by ISDA relating to the Reference Entity and Credit Event in question or, if multiple auctions are conducted in relation to such Reference Entity and Credit Event, the auction which would be relevant for purposes of settlement of the Reference CDS (including where auctions are conducted in respect of senior and subordinated obligations or as a result of an election of the Calculation Agent where the buyer of credit protection under the Reference CDS would be entitled to make such election following a Restructuring Credit Event thereunder);

**"Auction Final Price"** means the price, expressed as a percentage, determined pursuant to the Auction and published by ISDA;

**"Basket Credit-linked Security"** means a Security specified as such in the Pricing Supplement;

**"CDDC"** has the meaning given in Asset Term 5.2 (*Resolutions of CDDCs*);

**"Class"** has the meaning set out in Asset Term 3 (*Successors*);

**"Credit Event"** means any of the events specified as such in the Pricing Supplement (including by cross-reference to a matrix published by ISDA);

**"Credit Event Loss Amount"** means, in relation to an Event Determination Date, the product of:

- (a) 100 per cent. minus the Auction Final Price or, if applicable, Final Price;

- (b) the Leverage Factor; and
- (c) the Reference Entity Notional Amount (or, as applicable, the Exercise Amount);

**"Credit Event Settlement Amount"** means, in respect of a Security and with respect to an Event Determination Date such Security's pro rata proportion of, an amount equal to:

- (a) the Reference Entity Notional Amount (or, as applicable, the Exercise Amount); minus
- (b) the Credit Event Loss Amount;

**"Credit Event Settlement Date"** means, in respect of a Security and with respect to an Event Determination Date, the date falling 10 Business Days after the Auction Final Price Determination Date (or where the Credit Event Settlement Amount is determined by reference to a Final Price, the date on which the Final Price is determined);

**"Credit Event Writedown Amount"** means, in respect of a Security and with respect to an Event Determination Date, an amount equal to the lesser of

- (a) the Outstanding Nominal Amount of such Security; and
- (b) the Reference Entity Notional Amount of the relevant Reference Entity which is the subject of such Event Determination Date (or, if applicable, the relevant Exercise Amount) multiplied by the Relevant Proportion as of the Event Determination Date,

in each case determined immediately prior to such Event Determination Date;

**"Deferred Settlement Date"** means the date specified as such in the Pricing Supplement or, if no such date is specified, the later of the Scheduled Maturity Date and the Extended Maturity Date;

**"Event Determination Date"** means that either:

- (a) following a public announcement by ISDA to the effect that a CDDC has resolved that a Credit Event has occurred in relation to a Reference Entity, and, if so required for the purposes of the Reference CDS, following the delivery by the Calculation Agent of a notice which would constitute a "Credit Event Notice" (as defined in the 2003 Definitions) for the purposes of the Reference CDS, the date which would be determined as such for the purposes of the Reference CDS in accordance with its terms; or
- (b) in the absence of any announcement as referred to above, the Calculation Agent delivers a notice which would constitute a "Credit Event Notice" and "Notice of Publicly Available Information" (each as defined in the 2003 Definitions) for the purposes of the Reference CDS;

**"Extended Maturity Date"** has the meaning given to it in Asset Term 2.4 (*Redemption at Extended Maturity Date*);

**"Final Price"** means, where the Calculation Agent determines that no Auction Final Price has been or will be determined in relation to an Event Determination Date, the price, expressed as a percentage, determined by the Calculation Agent as follows:



- (a) On any Business Day (as selected by the Calculation Agent) falling within five Business Days following the Physical Settlement Date which would apply to the Reference CDS as determined by the Calculation Agent in a commercially reasonable manner, if it were subject to Physical Settlement (the "**Valuation Date**"), and, if necessary, on one or more of the succeeding five Business Days, at or about a time selected by the Calculation Agent as being the time at which the relevant market is likely to be most liquid (the selected time, the "**Valuation Time**"), the Calculation Agent shall attempt to obtain quotations in respect of any combination of the obligations of the Reference Entity, which may be direct loans, bonds or other obligations issued directly by the Reference Entity or obligations in respect of which the Reference Entity acts a guarantor, which the Calculation Agent determines would be eligible for delivery in settlement of the Reference CDS (each selected obligation, a "**Valuation Obligation**") from five or more third party dealers in obligations such as the selected Valuation Obligations, as selected by the Calculation Agent.
- (b) The Calculation Agent shall seek bid quotations for Valuation Obligations having an aggregate outstanding principal amount which is in aggregate at least equal to the relevant Reference Entity Notional Amount (or, as applicable, the portion of such amount in respect of which settlement is triggered).
- (c) If at least two firm bid quotations for the entire selected amount of a Valuation Obligation are available on the same Business Day, the Final Price of that Valuation Obligation will be determined by using the highest such quotation received. If the Calculation Agent is unable to obtain two or more such quotations in relation to a Valuation Obligation on the same Business Day within five Business Days of the Valuation Date, then the Final Price for such Valuation Obligation will be an amount determined by the Calculation Agent in its commercially reasonable discretion as the prevailing market value of the Valuation Obligation in question.
- (d) Quotations will be expressed as a percentage of the selected amount of each Valuation Obligation for purposes of determining the Final Price (including where quotes actually received are expressed as a percentage of amounts payable at maturity of the relevant obligation, if different).
- (e) If there is more than one selected Valuation Obligation, then the Final Price will be the average of the Final Prices determined in relation to each such obligation, each such price being weighted by reference to the amount of each such obligation valued for such purpose.

**"Leverage Factor"** has the meaning given in the Pricing Supplement, or if no such meaning is given, one;

**"Nth to Default Credit-linked Security"** means a Security specified as such in the Pricing Supplement;

**"Nth to Default Reference Entity"** has the meaning given in the Nth to Default Standard Terms Supplement;

**"Nth to Default Standard Terms Supplement"** has the meaning given in Asset Term 1.2 (*Terms of the Reference CDS*);

**"Outstanding Nominal Amount"** means, in respect of a Security, an amount equal to its Specified Denomination as reduced from time to time in accordance with Asset Term 2.2 (*Reduction in Outstanding Nominal Amount following Event Determination Date*);

**"Reference Entity Notional Amount"** means, in respect of any Reference Entity, the notional amount for the time being of credit protection which is purchased under the terms of the Reference CDS in relation to a Reference Entity, being, as of the Issue Date (and unless otherwise specified in the Pricing Supplement):

- (a) if the Securities are Single Name Credit-linked Securities, the Aggregate Nominal Amount;
- (b) if the Securities are Nth-to-Default Credit-linked Securities, the Aggregate Nominal Amount;
- (c) if the Securities are Basket Credit-linked Securities, the product of the Aggregate Nominal Amount and the related Reference Entity Weighting or, if not Reference Entity Weighting is specified in the Pricing Supplement, the Aggregate Nominal Amount divided by the number of Reference Entities; and
- (d) otherwise, the amount specified as such in relation to a Reference Entity in the Pricing Supplement,

subject in each case to the provisions of the Reference CDS and Asset Term 3 (*Successors*) relating to the determination of successor Reference Entities and provided that, where the Securities are subject to redemption or purchase and cancellation in part, or where further securities are issued which are fungible with the Securities, the Reference Entity Notional Amount shall be reduced or, as applicable, increased, proportionately;

**"Reference Entity Weighting"** means, in respect of a Reference Entity, the percentage specified as such in relation to that Reference Entity in the Pricing Supplement;

**"Relevant Proportion"** means, in respect of any day, an amount, expressed as a fraction, equal to the Outstanding Nominal Amount of the Security as of such day, divided by the aggregate of the Outstanding Nominal Amounts of all Securities then outstanding;

**"Single Name Credit-linked Security"** means a Security specified as such in the Pricing Supplement; and

**"Zero Recovery Credit-linked Security"** means a Security specified as such in the Pricing Supplement.

## GENERAL TERMS AND CONDITIONS OF NOTES

*The following is the text of the general terms and conditions ("**General Note Conditions**") that, together with the Credit-linked Asset Terms and subject to the provisions of the Specific Terms, shall be applicable to the Securities.*

The Securities (which expression shall include any Securities issued pursuant to General Note Condition 13) are issued pursuant to an agency agreement dated 10 July 2013 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between the Issuers, The Bank of New York Mellon, acting through its London Branch (or such other entity as may be specified in the relevant Pricing Supplement) as fiscal agent and the other agents named in it and with the benefit of a deed of covenant dated 10 July 2013 (as amended or supplemented as at the Issue Date, the "**CS Deed of Covenant**") executed by CS in relation to Securities issued by CS or a deed of covenant dated 10 July 2013 (as amended or supplemented as at the Issue Date, the "**CSi Deed of Covenant**") executed by the CSi in relation to Securities issued by CSi, as the case may be. The fiscal agent, the registrar, the transfer agents, the calculation agent(s) and the paying agents for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Registrar**", the "**Transfer Agents**", the "**Calculation Agent(s)**" and the "**Paying Agents**" (which expression shall include the Fiscal Agent, the Registrar, the Transfer Agents and the Calculation Agent(s) and together with any other agents specified in the relevant Pricing Supplement, the "**Agents**"). The Securityholders (as defined in General Note Condition 1) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement, the CS Deed of Covenant and the CSi Deed of Covenant are, and, so long as any Security remains outstanding, will be available for inspection during normal business hours at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

The Securities of any Series are subject to these General Note Conditions, as modified and/or supplemented by any applicable Asset Terms and the relevant pricing supplement containing the final terms (the "**Pricing Supplement**") relating to the relevant Securities (together, the "**Terms and Conditions**" or the "**Conditions**").

Expressions used herein and not defined shall have the meaning given to them in any applicable Asset Terms or the relevant Pricing Supplement. In the event of any inconsistency between the General Note Conditions, the applicable Asset Terms and the relevant Pricing Supplement, the prevailing terms will be determined in accordance with the following order of priority (where (a) prevails over the other terms):

- (a) the relevant Pricing Supplement;
- (b) the applicable Asset Terms; and
- (c) the General Note Conditions.

Except in relation to General Note Conditions 8, 11 and 19 references herein to the "Issuer" shall be to CS acting through its London Branch, its Nassau Branch or its Singapore Branch (each a "**Branch**") or CSi, as the case may be, (as specified in the relevant Pricing Supplement). In relation to General Note Conditions 8, 11 and 19, references to "Issuer" shall be to CS or CSi, as the case may be, (as specified in the relevant Pricing Supplement).

### 1. **Form, Denomination and Title**

The Securities are issued in bearer form ("**Bearer Securities**") or in registered form ("**Registered Securities**") in each case with a nominal amount (the "**Nominal Amount**") equal to the Specified Denomination(s) specified in the relevant Pricing Supplement.

All Registered Securities shall have the same Specified Denomination.

Bearer Securities are represented by a bearer global security (a "**Global Security**"). No definitive Bearer Securities will be issued.

Notes which are Registered Securities ("**Registered Notes**") are represented by registered certificates ("**Certificates**") and, save as provided in General Note Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder. Where Registered Notes are held by or on behalf of one or more Clearing Systems, a global certificate (a "**Global Certificate**") will be issued in respect of them.

Title to the Global Security shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Security shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

For so long as any of the Securities is represented by a Global Security or a Global Certificate held by or on behalf of one or more clearing systems specified in the relevant Pricing Supplement (each a "**Clearing System**"), each person (other than one Clearing System to the extent that it appears on the books of another Clearing System) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by the relevant Clearing System as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error), shall be treated by the Issuer and each Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the right to payment on such nominal amount or interest (if any) of such Securities, the right to which shall be vested, as against the Issuer and any Agent, solely in the bearer of the relevant Global Security or the person in whose name the Registered Security is registered in accordance with and subject to its terms (and the expressions "**Securityholder**" and "**holder**" of Securities and related expressions shall be construed accordingly). Rights in respect of Securities which are held by or on behalf of a Clearing System will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System and, if so specified in the relevant Pricing Supplement, will be subject to a Minimum Transferable Number of Securities or a Minimum Trading Lot, as specified in the relevant Pricing Supplement. Where Global Securities are held by or on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), the Global Security may be deposited with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"). Where Registered Securities are held by or on behalf of Euroclear and Clearstream, Luxembourg, the Registered Securities may be registered in the name of a nominee for such Clearing Systems and the Global Certificate delivered to the Common Depositary.

Any reference to a Clearing System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer.

## 2. **Transfers of Registered Securities**

### (a) **Transfer of Registered Securities**

One or more Registered Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer (which shall be available at the specified office of the Registrar or the Transfer Agent) endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed, and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Securities and entries on the Register will be made subject to the regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the

prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any holder of a Registered Security upon request.

(b) **Exercise of Options or Partial Redemption in Respect of Registered Securities**

In the case of an exercise of an Issuer's or Securityholders' option in respect of, or a partial redemption of, a holding of Registered Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Securities to a person who is already a holder of Registered Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) **Delivery of New Certificates**

Each new Certificate to be issued pursuant to General Note Conditions 2(a) or (b) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice (as defined in General Note Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this General Note Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) **Transfers Free of Charge**

The transfer of Registered Securities and Certificates shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) **Closed Periods**

No Securityholder may require the transfer of a Registered Security to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Security, (ii) during the period of 15 days before any date on which Securities may be called for redemption by the Issuer at its option pursuant to General Note Condition 5(d), (iii) after any such Security has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3. **Status**

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* and rateably without any preference among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

4. **Interest and Premium**

(a) **Interest on Fixed Rate Securities**

Each Fixed Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date either (i) at the rate per annum (expressed as a

percentage) equal to the Rate of Interest or (ii) in an Interest Amount, such interest being payable in arrear on each Interest Payment Date. If so specified in the relevant Pricing Supplement, the Rate of Interest or Interest Amount may be different for different Interest Periods.

(b) ***Premium***

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

(c) ***Interest on Floating Rate Securities***

(i) ***Interest Payment Dates***

Each Floating Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date specified in the relevant Pricing Supplement.

(ii) ***Business Day Convention***

If any date that is specified in the relevant Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) ***Rate of Interest for Floating Rate Securities***

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

- (A) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (B) the Designated Maturity is a period so specified in the relevant Pricing Supplement; and
- (C) the relevant Reset Date is (I) if the applicable Floating Rate Option is based on LIBOR or EURIBOR, the first day of that Interest Period or such days as so specified in the relevant Pricing Supplement, or (II) if the applicable Floating Rate Option is neither based on LIBOR nor EURIBOR, such other day as so specified in the relevant Pricing Supplement,

provided that if the Issuer determines that such ISDA Rate cannot be determined in accordance with the ISDA Definitions read with the above provisions, the value of the ISDA Rate for an Interest Period shall be such rate as is determined by the Calculation Agent in good faith and in a commercially reasonable manner having regard to comparable benchmarks then available.

For the purposes of this sub-paragraph (iii), "**Floating Rate**", "**Floating Rate Option**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(d) ***Accrual of Interest and Premium***

Interest and Premium shall cease to accrue on each Security on the due date for redemption unless payment is improperly withheld or refused, in which event interest and premium shall continue to accrue (both before and after judgment) in the manner provided in this General Note Condition 4 to the Relevant Date (as defined in General Note Condition 7).

(e) ***Maximum/Minimum Rates of Interest, Rate Multipliers and Rounding***

- (i) If any Rate Multiplier is specified in the relevant Pricing Supplement (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with (c) above by multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest transferable amount of such currency.

(f) ***Calculations***

The amount of interest or premium payable in respect of any Security for any period shall be calculated by multiplying the product of the Rate of Interest or Rate of Premium and the outstanding nominal amount of such Security by the Day Count Fraction, unless an Interest Amount or Premium Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest or premium payable in respect of such Security for such period shall equal such Interest Amount or Premium Amount (or be calculated in accordance with such formula).

(g) ***Determination and Publication of Rates of Interest/Premium and Interest/Premium Amounts***

On such date as the Issuer may be required under this General Note Condition 4 to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate, calculate such amounts, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amount and/or the Rate of Premium and Premium Amount for each Interest Period and Premium Period and the relevant Interest Payment Date and Premium Payment Date to be notified to the Fiscal Agent, the Issuer (if the Issuer is not the Calculation Agent), each of the Agents and the Securityholders as soon as possible after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date or Premium Payment Date is subject to adjustment pursuant to General Note Condition 4(c)(ii), the Interest Amounts and the Interest Payment Date or Premium Amount

and Premium Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period or Premium Period. If the Securities become due and payable under General Note Condition 8, the accrued interest and the Rate of Interest and/or Rate of Premium payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this General Note Condition 4 but no publication of the Rate of Interest and/or Rate of Premium or the Interest Amount or Premium Amount so calculated need be made.

(h) **Definitions**

Unless the context otherwise requires and subject to the relevant Pricing Supplement, the following terms shall have the meanings set out below:

**"Aggregate Nominal Amount"** means the aggregate nominal amount of the Securities set out in the relevant Pricing Supplement.

**"Business Centre"** means each of the places so specified in the relevant Pricing Supplement.

**"Business Day"** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a TARGET Business Day; and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

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

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

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

where:

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



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

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

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

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

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

- (v) if **"30E/360"** or **"Eurobond Basis"** is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vi) if **"30E/360 (ISDA)"** is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

(vii) if "**Actual/Actual–ICMA**" is specified in the relevant Pricing Supplement:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year; and

(II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year;

where:

**"Designated Maturity"** means the period set out in the relevant Pricing Supplement;

**"Determination Date"** means each date so specified in the relevant Pricing Supplement or, if none is so specified, each Interest Payment Date and/or Premium Payment Date; and

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

**"Interest Amount"** means the amount of interest payable in respect of a Security on an Interest Payment Date as specified in the relevant Pricing Supplement or calculated under this General Note Condition 4.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified in the relevant Pricing Supplement.

**"Interest Payment Date"** means each date so specified in the relevant Pricing Supplement, and if so specified in the relevant Pricing Supplement, subject to adjustment in accordance with the Business Day Convention.

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

**"ISDA Definitions"** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

**"Premium Amount"** means the amount of any premium payable in respect of a Security on a Premium Payment Date as specified in the relevant Pricing Supplement or calculated under this General Note Condition 4.

**"Premium Commencement Date"** means the Issue Date or such other date as may be specified in the relevant Pricing Supplement.

**"Premium Payment Date"** means each date so specified in the relevant Pricing Supplement.

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

**"Rate of Interest"** means the rate of interest payable from time to time in respect of a Security as specified in the relevant Pricing Supplement or calculated under this General Note Condition 4.

**"Rate of Premium"** means the rate of premium payable from time to time in respect of a Security as specified in the relevant Pricing Supplement.

## 5. **Redemption, Purchase and Options**

### (a) ***Redemption by Instalments and Final Redemption***

- (i) Unless previously redeemed or purchased and cancelled, each Security that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Pricing Supplement. The outstanding nominal amount of each such Security shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Security, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed or purchased and cancelled or unless the Securities are to be redeemed by way of physical settlement pursuant to General Note Condition 5(f), each Security shall be redeemed on the Maturity Date specified in the relevant Pricing Supplement at its Redemption Amount (which, unless otherwise provided, shall be its Nominal Amount) or, in the case of a Security falling within paragraph (i) above, its final Instalment Amount.

### (b) ***Early Redemption***

The amount payable in respect of any Security upon redemption of such Security pursuant to General Note Condition 5(c) or upon any Security becoming due and payable as provided in General Note Condition 8, shall be the amount determined by the Issuer that, in the case of redemption pursuant to General Note Condition 5(c) on a day prior to the due date for redemption selected by the Issuer in its sole and absolute discretion or, in the case of redemption pursuant to General Note Condition 8, on the due date for redemption of such Security, is equal to the Early Payment Amount.

### (c) ***Redemption for Illegality Reasons***

If the Issuer shall have determined in good faith that the performance of any of its obligations under the Securities or that any arrangement made to hedge its obligations under the Securities shall have or will become, in whole or in part, unlawful, illegal, or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof (an **"Illegality"**), then the Issuer may, if and to the extent permitted by applicable law, either (i) make such adjustment to the Conditions as may be permitted by any applicable Asset Terms or (ii) having given not more than 30 nor less than 15 days' notice to Securityholders in accordance with General Note Condition 14, redeem the Securities at their Early Payment Amount. In the case of (ii) no payment of the Redemption Amount (or physical delivery of the

Share Amount or payment of the Fractional Cash Amount, as applicable) shall be made after such notice has been given.

(d) ***Redemption at the Option of the Issuer***

If "**Call Option**" is specified in the relevant Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Securityholders (or such other notice period as may be specified in the relevant Pricing Supplement) redeem all or, if so provided, some of the Securities on any Optional Redemption Date specified in the relevant Pricing Supplement at their Optional Redemption Amount specified in the relevant Pricing Supplement. Any such redemption must relate to Securities of a nominal amount at least equal to the minimum nominal amount to be redeemed and no greater than the maximum nominal amount to be redeemed, as specified in the relevant Pricing Supplement. All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Note Condition 5(d).

In the case of a partial redemption, the Securities to be redeemed shall be selected in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws, Clearing System and other relevant requirements, and holders of Registered Notes shall be notified separately if their Securities have been selected.

(e) ***Redemption at the Option of Securityholders***

If "**Put Option**" is specified in the relevant Pricing Supplement, the Issuer shall, at the option of the holder of any such Security, upon the holder of such Security giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Security on the Optional Redemption Date(s) specified in the relevant Pricing Supplement at its Optional Redemption Amount specified in the relevant Pricing Supplement. No such option may be exercised if the Issuer has given notice of redemption of the Securities.

In the case of Securities not held in or on behalf of a Clearing System, to exercise such option the holder must deposit a duly completed option exercise notice ("**Exercise Notice**") substantially in the form set out in the Agency Agreement (or such other form as the Issuer, the Fiscal Agent and the Registrar may approve) within the notice period together with the Certificate representing such Registered Securities with the Registrar or any Transfer Agent at its specified office. In the case of Bearer Securities, the holder must deposit an Exercise Notice with the Fiscal Agent at the same time presenting the Global Security representing such Bearer Securities to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation according to the terms set out in such Global Security.

(f) ***Delivery of Shares (Physical Settlement)***

If Physical Settlement Provisions are specified to be applicable in the relevant Pricing Supplement, the terms and conditions contained in the applicable annex shall apply.

(g) ***Purchases***

The Issuer and any subsidiary or affiliate of the Issuer may at any time purchase Securities (provided that such Securities are purchased with all rights to receive all future payments of interest and Instalment Amounts (if any)) in the open market or otherwise at any price and may hold, resell or cancel them.

(h) ***Reference to Principal***

References to "**principal**" shall be deemed to include, wherever the context so admits, any amounts payable under the Securities other than by way of interest.

6. **Payments**

(a) ***Bearer Securities***

Payments in respect of Bearer Securities shall be made against presentation and annotation or, if no further payment is to be made, surrender of the Global Security at the specified office of any Paying Agent outside the United States by transfer to an account denominated in the Settlement Currency with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

(b) ***Registered Securities***

Payments in respect of Registered Securities shall be made to the person shown on the Register at the close of business on the date (the "**Record Date**") which is (i) in the case of Securities represented by a Global Certificate held by or on behalf of one or more Clearing Systems, the Clearing System Business Day immediately prior to the due date for payment thereof, where "**Clearing System Business Day**" means each day from Monday to Friday inclusive except 25 December and 1 January and (ii) otherwise, the fifteenth day before the due date for payment thereof, and if no further payment is to be made, against presentation and surrender of the relevant Certificates at the specified office of any Transfer Agent or the Registrar. Payments on each Registered Security shall be made in the Settlement Currency by cheque drawn on a bank and mailed to the holder (or to the first-named of joint holders) of such Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment may be made by transfer to an account in the Settlement Currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET2 System.

(c) ***Discharge of Obligation***

The holder of a Global Security or Global Certificate shall be the only person entitled to receive payments in respect of Securities represented by such Global Security or Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Security or Global Certificate in respect of each amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular nominal amount of Securities represented by such Global Security or Global Certificate must look solely to such Clearing System for its share of each payment so made. No person other than the holder of such Global Security or Global Certificate shall have any claim against the Issuer in respect of any payments due on that Global Security or Global Certificate.

(d) ***Payments Subject to Laws***

All payments are subject in all cases to any applicable fiscal and other laws, regulations and directives.

(e) ***Appointment of Agents***

The Agents initially appointed by the Issuer and their respective specified offices are specified in the relevant Pricing Supplement. The Agents act solely as agents of the Issuer and neither the Issuer nor any of the Agents assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. The Issuer may at any time vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Securities, and (iii) a Transfer Agent in relation to Registered Securities.

Notice of any such change or any change of any specified office shall promptly be given to the Securityholders.

(f) ***Non-Business Days***

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day or to any interest or other sum in

respect of such postponed payment. In this paragraph, "**business day**" means a day which is a Currency Business Day and, where presentation is required, a Banking Day in the relevant place of presentation.

7. **Prescription**

Claims against the Issuer for payment in respect of Bearer Securities shall be prescribed and become void unless the Global Security is presented for payment within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date. "**Relevant Date**" means, in respect of any payment, (a) the date on which such payment first becomes due and payable or (b) if the full amount of moneys payable has not been received by the Fiscal Agent on or prior to such date, the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Securityholders in accordance with General Note Condition 14.

8. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") has occurred and is continuing:

- (a) the Issuer fails to pay any amount due on the Securities within 30 days after the due date;
- (b) where the Issuer is CS acting through its London Branch, its Nassau Branch or its Singapore Branch, CS is (or could be deemed by law or court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, initiates or becomes subject to proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition administration or insolvency law proposes or makes a stay of execution, a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of CS; or
- (c) where the Issuer is CSi, a resolution is passed, or a final order of a court in the United Kingdom is made, and where not possible, not discharged or stayed within a period of 90 days, that CSi be wound up or dissolved,

then the holder of any Security may, by notice in writing given to the Fiscal Agent at its specified office, declare such Security immediately due and payable, whereupon such Security shall become redeemable at an amount equal to its Early Payment Amount unless prior to the time when the Fiscal Agent receives such notice all Events of Default have been cured.

9. **Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions. Such a meeting may be convened by Securityholders holding not less than one tenth in nominal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend any date for payment on the Securities, (b) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Securities, (c) to reduce the rate or rates of interest in respect of the Securities, (d) to vary any method of, or basis for, calculating any amount payable on the Securities or deliverable in respect of the Securities, (e) to vary the currency or currencies of payment or denomination of the Securities, (f) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the

provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

10. **Modification**

The Issuer may modify the Conditions (and (a) (i) in the case of CS, the CS Deed of Covenant, (ii) in the case of CSi, the CSi Deed of Covenant and (b) together with the other parties thereto, the Agency Agreement, save that, in relation to the regulations concerning transfers of Securities scheduled to the Agency Agreement, any modifications will be made in accordance with General Note Condition 2(a)) without the consent of any Securityholder for the purposes of (a) curing any ambiguity or correcting or supplementing any provision contained in them in any manner which the Issuer may deem necessary or desirable provided that such modification is not, in the determination of the Issuer, prejudicial to the interests of the Securityholders or (b) correcting a manifest error. Notice of any such modification will be given to the Securityholders in accordance with General Note Condition 14.

11. **Substitution of the Issuer**

The Issuer, or any previously substituted company, may at any time, without the consent of the Securityholders, substitute for itself as principal obligor under the Securities any company (the "**Substitute**"), being any Affiliate of the Issuer or another company with which it consolidates, into which it merges or to which it sells, leases, transfers or conveys all or substantially all its property, subject to:

- (a) where the Substitute is an Affiliate of the Issuer, the Substitute having a long-term unsecured debt rating equal to or higher than that of the Issuer given by Moody's Investors Service, Inc. (or an equivalent rating from another internationally recognised rating agency) or having the benefit of a guarantee from the Issuer or another Affiliate of the Issuer with such a debt rating;
- (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect; and
- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Note Condition 14.

In the event of any substitution of the Issuer, any reference in the Conditions to the "Issuer" shall thenceforth be construed as a reference to the Substitute.

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer and any entity under common control with the Issuer.

The Issuer shall also have the right upon notice to Securityholders in accordance with General Note Condition 14 to change the office through which it is acting for the purpose of the Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

12. **Taxation**

The Issuer is not liable for or otherwise obliged to pay, and the relevant Securityholder shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, redemption or enforcement of any Security, including, without limitation, the payment of any amount thereunder. The Issuer shall have the right to withhold or deduct from any amount payable to the Securityholder such amount (a) for the payment of any such taxes, duties, charges, withholdings or other payments or (b) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this General Note Condition 12.

**13. Further Issues**

The Issuer may from time to time without the consent of the Securityholders create and issue further Securities having the same terms and conditions as the Securities (save possibly for the amount and date of the first payment of interest and premium and for the issue price) (so that, for the avoidance of doubt, references in the Conditions to "Issue Date" shall be to the first issue date of the Securities) and so that the same shall be consolidated and form a single series with such Securities, and references in the Conditions to "Securities" shall be construed accordingly.

**14. Notices**

Notices to the holders of Securities held in or on behalf of a Clearing System may be given by delivery of the relevant notice to that Clearing System for communication by it to entitled accountholders or by delivery of the relevant notice to the holder of the relevant Global Security or Global Certificate. Notices to the holders of Securities may also be given by publication in the newspaper specified in the relevant Pricing Supplement or such other leading newspaper of general circulation as the Issuer may determine. Any such notice shall be deemed to have been given on the weekday following such delivery or, where notices are so published, on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Notices to the holders of Registered Securities may alternatively be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Notices to be given by a Securityholder shall (in the case of a Security not held in or on behalf of a Clearing System) be in writing and given by being lodged with an Agent. Where Securities are held in or on behalf of a Clearing System, such notices may be given by the holder of a Security through the relevant Clearing System in such manner as the relevant Clearing System may approve for this purpose together with confirmation from the Clearing System of the Securityholder's holding of Securities.

Where Securities are held in or on behalf of a Clearing System but such Clearing System does not permit notices to be sent through it, such notices may be given by the relevant Securityholder in writing by being lodged with an Agent, subject to the Securityholder providing evidence from the Clearing System satisfactory to the Issuer of the Securityholder's holding of Securities.

**15. Replacement of Certificates**

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and other relevant authority regulations, at the specified office of the Registrar on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificate) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

**16. Calculations and Determinations**

Where any calculations or determinations are required in the Conditions to be made by the Issuer, the Issuer may delegate the performance of such determinations and/or calculations to



a Calculation Agent on its behalf. In such event, the relevant references to the "Issuer" shall be construed as references to such Calculation Agent.

All calculations and determinations of the Issuer and the Calculation Agent in the Conditions shall be made in accordance with the terms of the relevant Conditions having regard in each case to the criteria stipulated therein (if any) and (where relevant) on the basis of information provided to or obtained by employees or officers of the Issuer or the Calculation Agent (as applicable) responsible for making the relevant calculation or determination.

All calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner. In the case of each determination under the Terms and Conditions, each of the Issuer and the Calculation Agent shall take into account the effect of such determination on the Securities and consider whether fair treatment is achieved by any such determination in accordance with its applicable regulatory obligations.

All calculations made by the Issuer or the Calculation Agent under the Conditions shall, in the absence of manifest error, be final, conclusive and binding on Securityholders.

Neither the Issuer nor the Calculation Agent shall have any responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise. Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. Nothing in the Conditions shall exclude or restrict any duty or liability arising under the regulatory framework applicable to any person authorised by the Financial Conduct Authority.

#### 17. **Third Parties**

No person shall have any right to enforce any of the Conditions of the Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Securities expressly provide that it shall apply to any of their terms.

#### 18. **Miscellaneous Definitions**

References to "**AUD**" are to Australian dollars, references to "**CAN**" are to Canadian dollars, references to "**DKr**" are to Danish Krone, references to "**EUR**" and "**€**" are to euro, being the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time), references to "**GBP**" and "**£**" are to pounds sterling, references to "**HK\$**" and "**HKD**" are to Hong Kong dollars, references to "**JPY**" and "**¥**" are to Japanese yen, references to "**Nkr**" and "**NOK**" are to Norwegian Krone, references to "**SGD**" are to Singapore dollars, references to "**SEK**" and "**SKr**" are to Swedish Krona, references to "**CHF**" and "**Sfr**" are to Swiss Francs and references to "**USD**" and "**U.S.\$**" are to United States dollars.

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city.

"**Currency Business Day**" means a day which is a Banking Day in the Financial Centre(s) if any (as specified in the relevant Pricing Supplement) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency, and if the Settlement Currency is euro, which is also a TARGET Business Day.

"**Early Payment Amount**" means the fair market value of such Securities immediately prior to such redemption (which may be nil) taking into consideration all information which the Issuer deems relevant (including, without limitation, the circumstances that resulted in the events causing such redemption), (if "Deduction for Hedge Costs" is specified to be applicable in the relevant Pricing Supplement) less the cost to the Issuer and/or its affiliates of unwinding any

related hedging arrangements in relation to such Securities, all as determined by the Issuer in its discretion acting in good faith and in a commercially reasonable manner.

**"Extraordinary Resolution"** means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the votes cast.

**"Financial Centre"** means each of the places so specified in the relevant Pricing Supplement.

**"Fractional Cash Amount"** has the meaning given to it in the Annex hereto.

**"Issue Date"** means one of the following as specified in the relevant Pricing Supplement:

- (a) the date so specified in the relevant Pricing Supplement; or
- (b) the number of Currency Business Days following the Initial Setting Date, as specified in the relevant Pricing Supplement.

**"Issue Price"** means the amount so specified in the relevant Pricing Supplement.

**"Maturity Date"** means one of the following as specified in the relevant Pricing Supplement:

- (a) the date so specified in the relevant Pricing Supplement; or
- (b) the number of Currency Business Days following the relevant date (or if there are two or more such dates, the latest of such dates to occur), in each case, as specified in the relevant Pricing Supplement; or
- (c) the later of (i) the date so specified in the relevant Pricing Supplement, and (ii) the number of Currency Business Days following relevant date (or if there are two or more such dates, the latest of such dates to occur), in each case, as specified in the relevant Pricing Supplement.

**"Redemption Amount"** has the meaning given to it in the relevant Pricing Supplement.

**"Settlement Currency"** means the currency in which a payment is to be made.

**"Share Amount"** has the meaning given to it in the Annex hereto.

**"TARGET Business Day"** means a day on which the TARGET2 System or any successor thereto is operating, where "TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

## 19. **Governing Law and Jurisdiction**

The Securities, the Global Security, the Certificates, the Global Certificates and any non-contractual obligations arising out of or in relation to them are governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees for the benefit of the Securityholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as **"Proceedings"**) may be brought in such courts.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and, where the Issuer is CS, the relevant Branch and may be enforced in the courts of any other jurisdiction. Nothing in this General Note Condition 19 shall limit any right to take Proceedings against the Issuer or, where the Issuer is CS, the relevant Branch in any other court of competent jurisdiction,

nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

CS appoints its London Branch as its agent for service of process in England in respect of any Proceedings against CS.

## TAXATION

### IRELAND

See the paragraph entitled "EU SAVINGS DIRECTIVE" below.

### EU SAVINGS DIRECTIVE

Under EU Savings Directive, each Member State is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however for a transitional period, Austria and Luxembourg will instead operate a withholding system in relation to such payments, unless the beneficiary of the interest payments elects for the exchange of information. The end of this transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries. Luxembourg has announced that it will cease to withhold from 1 January 2015 and will instead provide the required information.

A number of non-EU countries, including Switzerland, ("**Third Countries**") and certain dependent or associated territories of certain Member States ("**Dependent and Associated Territories**"), have adopted similar measures in relation to payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in another Member State, or certain Third Country or Dependent and Associated Territories.

Investors should note that the European Commission adopted an amending proposal to the Directive, which, among other changes, seeks to extend the application of the Directive to (i) payments channelled through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Further developments in this respect should be monitored on a continuing basis, since no certainty exists over whether and when the proposed amendments to the Directive will be implemented. Investors who are in any doubt as to their position should consult their professional advisers.

## UNITED KINGDOM

The following statements are by way of a general guide only to holders of Securities. They are not exhaustive and do not constitute tax advice. Holders of Securities are therefore advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Securities under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

The information below relates only to United Kingdom taxation and is applicable to United Kingdom residents who are the beneficial owners of Securities and hold the Securities as an investment, and does not apply to other categories of taxpayers such as dealers in shares and securities. It is based on United Kingdom tax law and HM Revenue and Customs ("HMRC") published practice as of 10 July 2013. The United Kingdom tax treatment of prospective holders of Securities depends on their individual circumstances and may be subject to change in the future. Anyone who is unsure of their tax treatment in relation to Securities should seek independent professional advice.

The following paragraphs are written on the assumption that the holders of the CDIs are, for United Kingdom tax purposes, absolutely beneficially entitled to the Underlying Securities and to any payments on the Underlying Securities. In the following paragraphs, references to "Securities" should be taken to include references to "interests in Securities held through CDIs", and references to "Securityholders" should be taken to include references to "holders of CDIs".

### Withholding taxes

Provided that the relevant Issuer continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "**Act**"), and provided that the interest on the Securities is paid in the ordinary course of its business within the meaning of section 878 of the Act, CS, acting through its London Branch, or CSi, as the case may be, will be entitled to make payments of interest under the Securities without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Securities may also be made without withholding or deduction for or on account of United Kingdom income tax if the Securities are listed on a "recognised stock exchange" within the meaning of section 1005 of the Act.

Interest on the Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where interest on the Securities is paid to a person who belongs in the United Kingdom for United Kingdom tax purposes and, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue & Customs have not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Securities may also be paid without withholding or deduction for or on account of United Kingdom tax where the maturity of the Securities is less than 365 days and which are not issued under arrangements the effect of which is to render such Securities as part of a borrowing with a total period of a year or more.

In other cases, an amount must generally be withheld from payments of interest on the Securities issued by CS, acting through its London Branch, or CSi, as the case may be, on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Securityholder, HM Revenue & Customs can issue a notice to the relevant Issuer to pay interest to the Securityholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Securityholders who are individuals may wish to note that HM Revenue & Customs have power to obtain information (including the name and address of the beneficial owner of the interest) from certain persons including any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual. HM Revenue & Customs also have power to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to, or receives such amounts for the benefit of, an individual, however, in relation to amounts payable on redemption of such Securities, HM Revenue & Customs' published practice indicates HM Revenue & Customs will not generally exercise its power to obtain information where such amounts are paid or received before 6 April 2014. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of certain other jurisdictions.

### **United Kingdom Corporation Tax Payers**

The United Kingdom taxation treatment of a Securityholder that is within the charge to United Kingdom corporation tax will depend on, among other things, the accounting treatment of the Securities in the Securityholder's hands, including, in particular, whether or not the Securities are bifurcated into a host contract and an "embedded derivative" as an accounting matter. The accounting treatment will also affect the tax treatment of a disposal of the Securities (including a disposal occurring on redemption of the Underlying Securities).

Securityholders within the charge to United Kingdom corporation tax should consult their own accounting and tax advisers concerning their tax liabilities that may arise as a result of holding the Securities, or as a result of the disposal of the Securities.

### **Other United Kingdom Tax Payers**

#### ***Taxation of Chargeable Gains***

The Securities should fall within the definition of "excluded indexed securities" in section 433 of the Income Tax (Trading and Other Income) Act 2005 (ITTOIA 2005). As such, the Securities should not constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 (TCGA 1992) and an individual United Kingdom tax resident Securityholder who holds Securities as an investment should be subject to capital gains tax (CGT) on any capital gains arising from the disposal of the Securities.

The principal factors which will determine the extent to which a capital gain arising from the disposal of Securities will be subject to CGT are the level of the annual allowance of tax-free capital gains in the tax year in which the disposal takes place (the annual exemption), the extent to which the Securityholder realises any other capital gains in that year and the extent to which the Securityholder has incurred capital losses in that or any earlier tax year.

The annual exemption is £10,900 for the 2013/2014 tax year and, under current legislation, this exemption is, unless Parliament decides otherwise, increased annually in line with the rate of increase (if any) in the consumer prices index.

Securityholders should be aware that the United Kingdom Parliament is entitled to withdraw this link between the level of the annual exemption and the consumer prices (or other relevant) index or even to reduce the level of the annual exemption for future tax years below its current level.

For the purposes of illustration only, the various reliefs and allowances mentioned above could interact in respect of a Securityholder who realises a capital gain (the "**relevant capital gain**") on a disposal of Securities in a particular tax year (the "**year of disposal**") as follows:

- (a) If the Securityholder has incurred no capital losses in the year of disposal and has no unrelieved capital losses from any previous tax year, he or she will be subject to CGT if and to the extent that the relevant capital gain plus any other capital gains realised by him in the year of disposal exceed the annual exemption for that year.

- (b) If the Securityholder has incurred capital losses in the year of disposal but has no unrelieved capital losses from any previous tax year, those losses can be set off against the relevant capital gain and against any other capital gains realised by him in the year of disposal. To the extent that those losses are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Securityholder in the year of disposal CGT will be payable by the Securityholder if and to the extent that the net capital gains exceed the annual exemption for that year.
- (c) Where either the Securityholder has incurred no capital losses in the year of disposal or any capital losses so incurred are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Securityholder in the year of disposal, but the Securityholder has incurred unrelieved capital losses in some previous tax year(s), those losses can be set off against the net capital gains realised by the Securityholder in the year of disposal to the extent that it is necessary to reduce those net capital gains to the level of the annual exemption for that year (and therefore to the level where no CGT will be payable by the Securityholder for that tax year). If the unrelieved capital losses from the previous tax year(s) are insufficient to reduce the Securityholder's net capital gains for the year of disposal to the level of the annual exemption for that year, CGT will be payable by the Securityholder if and to the extent that the capital gains exceed the annual exemption for the year of disposal.

Where an individual's total taxable income and gains (after allowable deductions) are less than the upper limit of the basic rate income tax band (which is set at £32,010 for the 2013/2014 tax year), CGT will be charged at 18 per cent. Any gains or part gains in excess of that upper limit will be taxed at 28 per cent. The rate or rates at which CGT is charged will therefore depend on the level of the Securityholder's taxable income and gains in the relevant tax year.

A prospective Securityholder should only expect to be treated as holding the Securities as an investment (subject to CGT and with the benefit of the annual exemption) if he or she intends to hold them for the medium to longer term and not to dispose of them in the short term for profit.

### ***Individual Savings Accounts***

The CDIs should qualify for inclusion within a stocks and shares ISA provided that:

- (a) the terms of the Underlying Securities do not require the underlying loan to be repaid or the Underlying Securities to be redeemed or repurchased within the period of 5 years from the date on which the CDIs are first held in the stocks and shares ISA; and
- (b) the terms of the Underlying Securities do not allow the holder of the Underlying Securities to require the underlying loan to be repaid or the Underlying Securities to be redeemed or repurchased within the period of 5 years from the date on which the CDIs are first held in the stocks and shares ISA except in circumstances which are neither likely nor certain to occur.

The CDIs would not qualify for inclusion within a cash ISA.

United Kingdom tax resident holders of Securities who acquire their investment in the Securities through an ISA and who satisfy the requirements for tax exemption in the Individual Savings Account Regulations 1998 will not be subject to either United Kingdom income tax or United Kingdom capital gains tax on income and gains realised from their Securities and any losses on their investment will be disregarded for the purposes of United Kingdom capital gains tax.

Individual investors who are considering investing in Securities which may provide capital growth and who are considering holding such Securities within an ISA may wish to consider whether it may be more beneficial for them to hold such Securities as a direct investment outside an ISA (leaving them free to invest in an income producing asset for inclusion in an ISA). This will depend on an investor's individual circumstances, including the availability of the capital gains tax annual exemption which may significantly reduce the amount of tax payable on capital gains. It may be more appropriate for some investors to hold an income generating investment within their ISA and assets generating capital gains as a direct investment so that, overall, less tax is paid on income and capital gains.

### ***United Kingdom Self-Invested Personal Pensions (SIPP) and Small Self-Administered Schemes (SSAS)***

The Securities should be capable of being held within a SIPP or SSAS that is a registered pension scheme subject to the individual circumstances of the Securityholders. Securityholders should obtain independent advice in relation to the tax treatment of Securities held within a SIPP or SSAS.

### **Other United Kingdom tax considerations**

#### ***Transfer of Assets Abroad***

The attention of individual Securityholders who are resident in the United Kingdom is drawn to the provisions of sections 714 to 751 of ITA 2007 contained in Chapter 2 of Part 13 of ITA 2007 (the Transfer of Assets Abroad Legislation). Under sections 714 to 751 of ITA 2007, the income accruing to an Issuer may be attributed to such a Securityholder and may (in certain circumstances) be subject to United Kingdom income tax in the hands of the Securityholder. However, under section 737 of ITA 2007, sections 714 to 751 ITA of 2007 will not apply if the Securityholder can satisfy HMRC that either:

- (a) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding a liability to United Kingdom taxation was the purpose or one of the purposes for which an investment in the Securities or any "associated operations" within the meaning of section 719 of ITA 2007 (together, the Security Transactions) was effected; or
- (b) the Security Transactions were "genuine commercial transactions" and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the Security Transactions was designed, more than incidentally, for the purpose of avoiding United Kingdom taxation.

Sections 737 and 738 of ITA 2007 provide that, in interpreting these provisions:

- (a) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Security Transactions or provides advice in relation to any of the Security Transactions would have to be taken into account in determining the purposes for which the Security Transactions were effected;
- (b) for the purposes of (b) above, a Security Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (c) the making and managing of investments, or the making or managing of investments, can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

#### ***Transactions in securities***

The attention of Securityholders who are corporation tax payers is drawn to the provisions of sections 731 to 751 CTA 2010. Securityholders who are income tax payers should have regard to sections 682 to 713 of ITA 2007. These provisions could potentially apply to counteract United Kingdom tax advantages arising to a Securityholder but the provisions will not apply provided the Securityholder can demonstrate that:

- (a) in the case of a Securityholder who is a corporation tax payer:
  - (i) its investment in the Securities was made for genuine commercial reasons or in the ordinary course of making or managing investments, and
  - (ii) the main object or one of the main objects of the investment in the Securities was not to obtain a corporation tax advantage within the meaning of section 732 of CTA 2010;



- (b) in the case of a Securityholder who is an income tax payer, it is not the case that the main purpose or one of the main purposes of the investment in the Securities was to obtain an income tax advantage within the meaning of sections 687 of ITA 2007.

***Restrictions on allowable losses***

The attention of Securityholders is drawn to section 16A of TCGA 1992. This provision could potentially prevent Securityholders from claiming an allowable loss in respect of a disposal of their Securities if the main purpose or one of the main purposes connected with their investment and/or disposal of the Securities was to secure a tax advantage within the meaning of section 16A(2) of TCGA 1992.

**Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

So long as the underlying Securities are listed on the Official List of the London Stock Exchange, no United Kingdom stamp duty or SDRT is payable on the issue of CDIs or on a transfer of CDIs within CREST where no written instrument is used to effect such transfer.

## SELLING RESTRICTIONS

### GENERAL

Except as set out in this Prospectus, no action has been or will be taken that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required.

No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the relevant Issuer or the Dealer.

### UNITED STATES

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

The Dealer may not offer, sell or deliver the Securities (A) within the United States or (B) to, or for the account or benefit of, U.S. persons (other than distributors) (i) as part of the Dealer's distribution at any time or (ii) otherwise until 40 days after the later of the date on which the Securities were first offered to persons other than distributors and the Issue Date (the "distribution compliance period"). The Dealer will send to each other distributor to which it sells the Securities during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until the expiration of the 40-day distribution compliance period, an offer or sale of Securities (A) within the United States by a distributor (whether or not participating in the offering) or (B) for the account or benefit of U.S. persons by a person that is not participating in the offering may violate the registration requirements of the Securities Act.

### UNITED KINGDOM

Each Dealer represents, warrants and agrees 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 Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which section 21(1) of FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
- (b) *General compliance*: it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (c) *Commissions and fees*: if it is distributing Securities that are "retail investment products" (as such term is defined in the handbook of the Financial Conduct Authority) into the United Kingdom and it is entitled to receive any commission or fee from the Issuer, it will not transfer any part of that commission or fee to any third party who may advise retail investors to purchase a Security that is a retail investment product; or

if it is authorised and regulated by the Financial Conduct Authority to provide investment advice to retail investors in the United Kingdom and it is providing advice to retail investors in respect of a Security that is a retail investment product, it undertakes not to request any commission or fee from the Issuer and to otherwise reject any such payment offered to it other than in circumstances where

the Issuer has agreed to facilitate the payment of an adviser fee and has the express consent of the retail investor(s) to do so.

## EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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