

Credit Suisse AG

Credit Suisse International

Principal Protected Securities and Non-Principal Protected Securities for Options (Call Options and Put Options) Base Prospectus Pursuant to the Structured Products Programme

Under this Base Prospectus, Credit Suisse AG (“CS”) and Credit Suisse International (“CSi”) (as specified in the relevant Final Terms) (each, an “Issuer” and, together, the “Issuers”), may issue Notes, Certificates or Warrants (“Securities”) on the terms set out herein and in the relevant Final Terms.

This document constitutes a base prospectus (the “Base Prospectus”) prepared for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”). The Base Prospectus contains information relating to the Issuers and the Securities. The Base Prospectus shall be read in conjunction with the documents incorporated herein by reference (see the section entitled “Documents Incorporated by Reference”).

This document has been filed with the Financial Services Authority in its capacity as competent authority under the UK Financial Services and Markets Act 2000 (the “UK Listing Authority”) for the purposes of the Prospectus Directive.

Each of the Issuers has requested the UK Listing Authority to provide the competent authorities for the purposes of the Prospectus Directive in Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, Norway, Spain and Sweden with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive.

The final terms relevant to an issue of Securities will be set out in a final terms document (the “Final Terms”) which will be provided to investors and, where so required under the Prospectus Directive, filed with the UK Listing Authority and made available free of charge to the public at the registered office of the relevant Issuer and at the offices of the relevant Distributors and Paying Agents.

Application has been made to the UK Listing Authority under the Financial Services and Markets Act 2000 (“FSMA”) for Securities issued by CS under this Base Prospectus during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange plc for such Securities to be admitted to trading on the London Stock Exchange’s Regulated Market. Such application will not be made in respect of Securities issued by CSi. However, Securities issued by either Issuer may also be listed and admitted to trading on such other or further regulated market(s) for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, as may be agreed between the relevant Issuer and the relevant Dealers. Unlisted Securities may also be issued by the Issuers. The relevant Final Terms in respect of an issue of Securities will specify if an application will be made for such Securities to be listed on and admitted to trading.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus.

Any person (an “Investor”) intending to acquire or acquiring any Securities from any person (an “Offeror”) should be aware that, in the context of an offer to the public as defined in section 102B of FSMA, the relevant Issuer may only be responsible to the Investor for this Base Prospectus under section 90 of FSMA if such Issuer has authorised the Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by such Issuer. If the Offeror is not so authorised by the relevant Issuer, the Investor should check with the Offeror whether anyone is responsible for this Base Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, it should take legal advice. **Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in this Base Prospectus or the relevant Final Terms, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.** This does not affect any responsibility which the relevant Issuer may otherwise have under applicable laws.

The credit ratings referred to in the CS Annual Report 2010 and the CSi Registration Document (both of which are incorporated by reference in this Prospectus) have been issued by Standard & Poor’s Credit Market Services Europe Limited, a division of The McGraw-Hill Companies, Moody’s Investors Service Limited and by Fitch Ratings Limited, each of which is established in the European Union and (as at the date hereof) has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies although notification of the corresponding registration decision has not yet been provided by the relevant Competent Authority.

Base Prospectus dated 24 August 2011



This Base Prospectus (excluding the CSi Information, as defined below) constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive for the purpose of giving information with regard to Securities to be issued by CS. This Base Prospectus (excluding the CS Information, as defined below) also comprises a separate base prospectus for the purposes of Article 5.4 of the Prospectus Directive for the purpose of giving information with regard to Securities to be issued by CSi. This Base Prospectus has also been prepared for the purpose of giving information with regard to the Issuers which, according to the particular nature of the Issuers and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the relevant Issuer.

“CS Information” information means: (i) those sections of the 2010 Annual Report (as defined in “Documents Incorporated by Reference” below) incorporated by reference herein in respect of CS; (ii) the information under the section headed “Description of CS”; (iii) the information incorporated by reference into this Base Prospectus under the section headed “Documents Incorporated by Reference in respect of CS”; and (iv) the information in paragraphs 2 and 4 of the section headed “General Information” in the Principal Base Prospectus.

“CSi Information” information means: (i) those sections of the CSi Registration Document (as defined in “Documents Incorporated by Reference” below) incorporated by reference herein; (ii) the information under the section headed “Description of CSi”; (iii) the information incorporated by reference into this Base Prospectus under the section headed “Documents Incorporated by Reference in respect of CSi”; and (iv) the information in paragraphs 3 and 5 of the section headed “General Information” in the Principal Base Prospectus. Each of the Issuers (whose respective registered office addresses appear on page 235 of the Principal Base Prospectus) accept responsibility for the information contained in this document. To the best of the knowledge and belief of each 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 previous paragraph should be read in conjunction with paragraph 8 on the first page of this Base Prospectus.

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 Issuers will not be providing any post issuance information in relation to the Securities. Where required pursuant to Article 16 of the Prospectus Directive, the Issuers will publish a supplement to this Base Prospectus.

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 Base Prospectus or the relevant Final Terms, and the Issuers do not accept responsibility for any information or representation so given that is not contained within the Base Prospectus. Neither the Base Prospectus nor any Final Terms may 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 Base Prospectus or any Final Terms in any jurisdiction where any such action is required except as specified herein.

The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the relevant 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”**) and may be subject to U.S. tax law requirements. 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 out under “Selling Restrictions” in the Principal Base Prospectus.

If the Securities constitute “derivative securities” for the purposes of the Prospectus Directive or have a derivative component in any interest payment and have a denomination of less than EUR 50,000 (or its equivalent) or can be acquired for less than EUR 50,000 per Security, the Issuers will, where so required under the Prospectus Directive, prepare a supplement to this Base Prospectus as required by Article 16 of the Prospectus Directive or will prepare a new prospectus relating to such Securities which may incorporate all or part of this Base Prospectus by reference in order to give any additional information required by the Prospectus Directive in relation to the derivative element of those Securities.

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DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents (except the documents incorporated by reference therein) which shall be deemed to be incorporated in, and form part of, this Base Prospectus, 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 Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus. Any non-incorporated parts of a document incorporated by reference herein are either deemed not relevant to investors or are otherwise covered elsewhere in this Base Prospectus.

Documents incorporated by reference in respect of CS

The following documents are incorporated by reference in respect of CS:

1. Registration document dated 18 August 2011 relating to CS which has been approved by the UK Listing Authority (the “**CS Registration Document**”) (except the documents incorporated therein by reference).
2. Base Prospectus dated 1 July 2011 relating to CS’s Structured Products Programme for the issuance of Notes, Certificates and Warrants that has been approved by the UK Listing Authority (the “**CS Principal Base Prospectus**”) except for the documents incorporated therein by reference, the Summary (pages 17 to 21 inclusive), the Risk Factors (pages 22 to 30 inclusive) and the Forms of Final Terms (pages 236 to 288 inclusive).
3. The following documents, which are incorporated herein by reference and have been filed with the UK Listing Authority:
 - (a) the 2011 Half-yearly Group Financial Statements on Form 6-K of Credit Suisse Group AG filed with the United States Securities and Exchange Commission (the “**SEC**”) on August 10, 2011 (the “**Group Form 6-K Dated 10 August 2011**”), which includes a discussion of the Group’s core results for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 exhibited thereto;
 - (b) the 2011 Half-Yearly Financial Statements on Form 6-K of Credit Suisse filed with the SEC on 10 August 2011 (the “**Form 6-K Dated 10 August 2011**”), which includes its six months financial statements exhibited thereto;
 - (c) the 2011 Second Quarter Financial Report on Form 6-K of Credit Suisse filed with the SEC on 9 August 2011 (the “**Form 6-K Dated 9 August 2011**”), which includes the Financial Report 2Q11 exhibited thereto, except that the information on pages 1-2 under “Dear Shareholder” is not incorporated by reference;
 - (d) the 2011 Second Quarter Financial Release on Form 6-K of Credit Suisse filed with the SEC on 28 July 2011 (the “**Form 6-K Dated 28 July 2011**”), which includes the Financial Release 2Q11 exhibited thereto, except that the information on pages 1-2 under “Dear Shareholder” is not incorporated by reference;
 - (e) the 2011 First Quarter Financial Report on Form 6-K of Credit Suisse dated, filed with the SEC on 10 May 2011 (the “**Form 6-K Dated 10 May 2011**”), which includes the Financial Report 1Q11 exhibited thereto, except that the information on pages 2 - 3 under “Dear Shareholder” is not incorporated by reference;

- (f) the Form 6-K of Credit Suisse filed with the SEC on 4 May 2011 (the “**Form 6-K Dated 4 May 2011**”), which includes the media release exhibited thereto regarding the Annual General Meeting, except that the information in the Exhibit to the Form 6-K Dated 4 May 2011 on page 2 under the headings “Statements by Hans-Ulrich Doerig” and “Statements by Urs Rohner”, and on page 3 under the headings “Information” and “Credit Suisse AG” is not incorporated by reference;
 - (g) the 2011 First Quarter Financial Release on Form 6-K of Credit Suisse filed with the SEC on 27 April 2011 (the “**Form 6-K Dated 27 April 2011**”) which includes the Financial Release 1Q11 exhibited thereto, except that the information on pages 1-2 under “Dear Shareholder” is not incorporated by reference;
 - (h) the Form 20-F of Credit Suisse filed with the SEC on 25 March 2011 (the “**2010 Annual Report**”), which includes the 2010 Annual Report exhibited thereto, except that the information on pages 3-5 under “Message from the Chairman and the Chief Executive Officer” is not incorporated by reference;
 - (i) the Form 6-K of Credit Suisse filed with the SEC on 24 March 2011 (the “**Form 6-K Dated 24 March 2011**”), which includes the media release exhibited thereto regarding the Annual General Meeting; and
 - (j) the Form 20-F of Credit Suisse filed with the SEC on 26 March 2010 (the “**Annual Report 2009**”), which includes the 2009 Annual Report exhibited thereto, except that the information on pages 2-6 under “Dear Shareholders, Clients and Colleagues” is not incorporated by reference.
4. For the purposes of any fungible issues (as specified in the relevant Final Terms):
- (a) The Terms and Conditions set out in the Base Prospectus dated 23 August 2010 relating to CS’s Principal Protected Securities and Non-Principal Protected Securities for Call Options and Put Options (Base Prospectus BPCS-5) (pages 15 to 26 inclusive).
 - (b) The Terms and Conditions set out in the Base Prospectus dated 9 June 2011 relating to CS’s Principal Protected Securities and Non-Principal Protected Securities for Call Options and Put Options (Base Prospectus BPCS-5) (pages 15 to 27 inclusive).

Documents incorporated by reference in respect of CSi

The following documents are incorporated by reference in respect of CSi:

1. Registration document dated 16 August 2011 relating to CSi which has been approved by the UK Listing Authority (the “**CSi Registration Document**”) (except the documents incorporated by reference therein).
2. Base Prospectus dated 1 July 2011 relating to CSi’s Structured Products Programme for the issuance of Notes, Certificates and Warrants that has been approved by the UK Listing Authority (the “**CSi Principal Base Prospectus**”, together with the CS Principal Base Prospectus, the “**Principal Base Prospectus**”) except for the documents incorporated therein by reference, the Summary (pages 17 to 21 inclusive), the Risk Factors (pages 22 to 30 inclusive) and the Forms of Final Terms (pages 236 to 288 inclusive).
3. The Annual Report of CSi for the years ended 31 December 2008, 31 December 2009 and 31 December 2010.

4. Credit Suisse Group AG (the “**Group**”), the ultimate parent company of the Issuers, and CS file annual and current reports, including interim financial information, with the U.S. Securities and Exchange Commission (the “**SEC**”) on Forms 20-F and 6-K. The SEC filings of the Group and CS are available on the SEC’s website at www.sec.gov and on the Group’s website at www.credit-suisse.com. The following SEC filings of the Group and CS have been filed with the UK Listing Authority and are incorporated by reference in this Base Prospectus:
- (a) Form 20-F of Credit Suisse Group AG and Credit Suisse AG filed with the SEC on 25 March 2011, which includes the 2010 Annual Report exhibited thereto (the “**2010 Annual Report**”);
 - (b) Form 6-K of Credit Suisse Group AG filed with the SEC on 27 April 2011, which includes the Financial Release Q1 2011 exhibited thereto; except that the information on pages 1-2 under "Dear Shareholder" is not incorporated by reference
 - (c) Form 6-K of Credit Suisse AG filed with the SEC on 27 April 2011, which includes the Financial Release Q1 2011 exhibited thereto; except that the information on pages 1-2 under "Dear Shareholder" is not incorporated by reference;
 - (d) Form 6-K of Credit Suisse Group AG filed with the SEC on 10 May 2011, which includes the Financial Report Q1 2011 exhibited thereto; except that the information on pages 2-3 under "Dear Shareholder" is not incorporated by reference; and
 - (e) Form 6-K of Credit Suisse AG filed with the SEC on 10 May 2011, which includes the Financial Report Q1 2011 exhibited thereto; except that the information on pages 2-3 under "Dear Shareholder" is not incorporated by reference;
 - (f) Form 6-K of Credit Suisse Group AG filed with the SEC on 28 July 2011, which includes the Financial Release Q2 2011 exhibited thereto; except that the information on pages 1-2 under "Dear Shareholder" is not incorporated by reference;
 - (g) Form 6-K of Credit Suisse AG filed with the SEC on 28 July 2011, which includes the Financial Release Q2 2011 exhibited thereto; except that the information on pages 1-2 under "Dear Shareholder" is not incorporated by reference;
 - (h) Form 6-K of Credit Suisse Group AG filed with the SEC on 9 August 2011, which includes the Financial Report Q2 2011 exhibited thereto; except that the information on pages 2-3 under "Dear Shareholder" is not incorporated by reference;
 - (i) Form 6-K of Credit Suisse AG filed with the SEC on 9 August 2011, which includes the Financial Report Q2 2011 exhibited thereto; except that the information on pages 2-3 under "Dear Shareholder" is not incorporated by reference;
 - (j) Form 6-K of Credit Suisse AG filed with the SEC on 10 August 2011, which includes the 2011 Half Year Financial Statements exhibited thereto; and
 - (k) Form 6-K of Credit Suisse Group AG filed with the SEC on 10 August 2011, which includes the 2011 Half Year Financial Statements with a discussion of the Group’s core results for the six months ended June 30, 2011 compared to the six months ended June 30, 2010 exhibited thereto.
5. For the purposes of any fungible issues (as specified in the relevant Final Terms):
- The Terms and Conditions set out in the Base Prospectus dated 23 August 2010 relating to CSi’s Principal Protected Securities and Non-Principal Protected Securities for Call Options and Put Options (Base Prospectus BPCS-5) (pages 15 to 26 inclusive).

Copies of this Base Prospectus will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Agents. In addition, copies of any document incorporated by reference in this Base Prospectus will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the principal office of the Principal Paying Agent and at the registered office of the Issuers or the relevant Branch, if applicable.

SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Securities should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. No civil liability in respect of this summary will attach to the Issuers in any Member State of the European Economic Area in which the relevant provisions of the Prospectus Directive have been implemented unless this summary, including any translation thereof, is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in such a Member State, the plaintiff may, under the national legislation of that Member State, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Description of CS

Credit Suisse AG was established on 5 July 1856 and registered in the Commercial Register (registration no. CH-020.3.923.549-1) of the Canton of Zurich on 27 April 1883 for an unlimited duration under the name Schweizerische Kreditanstalt. Its name was changed to Credit Suisse First Boston on 11 December 1996. On 13 May 2005, the Swiss banks Credit Suisse First Boston and Credit Suisse were merged. Credit Suisse First Boston was the surviving legal entity, and its name was changed to Credit Suisse (by entry in the commercial register). On 9 November 2009, Credit Suisse was renamed Credit Suisse AG.

Credit Suisse AG, a Swiss bank and joint stock corporation established under Swiss law, is a wholly owned subsidiary of Credit Suisse Group AG. Credit Suisse AG's registered head office is in Zurich, and it has additional executive offices and principal branches located in London, New York, Hong Kong, Singapore and Tokyo.

Credit Suisse AG's registered head office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland.

Description of CSi

Credit Suisse International was incorporated in England and Wales under the Companies Act 1985, on 9 May 1990 with registered no. 2500199 and was re-registered as an unlimited liability company under the name "Credit Suisse Financial Products" on 6 July 1990, and was renamed Credit Suisse First Boston International on 27 March 2000 and Credit Suisse International on 16 January 2006. Its registered office and principal place of business is at One Cabot Square, London E14 4QJ. Credit Suisse International is an English bank and is regulated as an EU credit institution by The Financial Services Authority ("FSA") under the Financial Services and Markets Act 2000. The FSA has issued a scope of permission notice authorising Credit Suisse International to carry out specified regulated investment activities.

Credit Suisse International is an unlimited liability company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of Credit Suisse International in the event of its liquidation. The joint, several and unlimited liability of the shareholders of Credit Suisse International to meet any insufficiency in the assets of Credit Suisse International will only apply upon liquidation of Credit Suisse International. Therefore, prior to any liquidation of Credit Suisse International, the Securityholders may only have recourse to the assets of Credit Suisse International and not to those of its shareholders.

Credit Suisse International commenced business on 16 July 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit. The primary objective of Credit Suisse International is to provide comprehensive

treasury and risk management derivative product services. Credit Suisse International has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets. The business is managed as a part of the Investment Banking Division of Credit Suisse AG in the Europe, Middle East and Africa region, and is supported by Credit Suisse AG's Shared Services Division, which provides business support services in such areas as finance, legal, compliance, risk management and information technology.

Description of the Securities

Securities are either principal protected or non-principal protected securities. Any principal protection will not be applicable if the Securities are redeemed before the maturity date or (in the case of warrants) the settlement date. The Securities will be issued by either CS or CSi. Where the Securities are issued by CS, CS will act through its London Branch or its Nassau Branch. Securities may be notes, certificates or warrants. The issuer, principal protection, denomination or nominal amount, currency and the maturity date or expiration date will be specified in the Final Terms. The amount which will be paid to the investor at maturity or (in the case of warrants) following their exercise is an amount linked to the performance or evolution of one or more shares, exchange traded funds, depositary receipts, equity indices, commodities, commodity indices, exchange rates, exchange rate indices, funds, inflation indices, interest rate indices, cash indices and/or other variables (each an "**Underlying Asset**"). Such amount shall be in addition to any percentage of the nominal amount that is protected. Only where specified in the Final Terms will interest and/or premium be payable.

Unless the Final Terms specify that the relevant Issuer has a call option in respect of Securities or investors have a put option in respect of Securities, Securities may only be redeemed before the maturity date or settlement date, as applicable, for reasons of default by the relevant Issuer (in the case of notes only) or the illegality of such Issuer's payment obligations or disruption to its hedging arrangements or following certain events in relation to Underlying Assets. If a call option is applicable, the relevant Issuer may redeem some or all of the Securities on the dates and at the amounts specified in the Final Terms. If a put option is applicable, investors may redeem some or all of their Securities on the dates and at the amounts specified in the Final Terms.

Application will, if so specified in the Final Terms, be made to list Securities on the stock exchange(s) specified in the Final Terms.

Return at Maturity

When the Securities mature or are exercised, investors will receive a redemption amount or a settlement amount equal to (i) a percentage of the nominal amount that is protected as specified in the Final Terms (which, in the case of principal protected Securities will be at least 100 per cent. or, in the case of non-principal protected Securities, will be a lesser amount and may be zero) and (ii) an amount calculated as the nominal amount multiplied by the "**Return**" as defined below. Warrants will generally be non-principal protected. If applicable, the redemption amount or settlement amount will be subject to a floor/cap.

The "**Return**" shall be a percentage equal to the greater of zero and the Performance plus the FP%.

The "**Performance**" is as specified in the Final Terms and could be one of the following:

- (i) the aggregate or average of all the Option Return amounts or the Option Return of the best or worst performing Option Return (as specified in the Final Terms), multiplied by the OP%. Each Option Return is the Underlying Performance for an Option multiplied by the Participation and subject to a

floor, if applicable. An “**Option**” is a potential payout with specified characteristics, as specified in the Final Terms.

The “**Underlying Performance**” (for each Option, if applicable) is calculated by comparing the Final Level and Initial Level for each Underlying Asset, expressed as a percentage and multiplied by the relevant Underlying Asset’s Weighting. The resultant figures for all the Underlying Assets are combined to give the Underlying Performance.

- (ii) the Underlying Performance (as defined in (i) above) multiplied by the Participation and subject to a floor, if applicable.
- (iii) the Average Performance multiplied by the Participation and subject to a floor, if applicable.

The “**Average Performance**” is calculated as the average of the Underlying Performances calculated in respect of each Averaging Date. For each Averaging Date, the Underlying Performance is calculated by comparing the Level on the relevant Averaging Date and the Initial Level for each Underlying Asset multiplied by the relevant Underlying Asset’s Weighting. The resultant figures for all the Underlying Assets are combined to give the Underlying Performance for the relevant Averaging Date.

Where “Performance” is determined using one or more Option Returns, each Option Return will, if applicable, be subject to one or more of the following Return Features: a floor/cap, the highest/lowest values replaced with a percentage, a percentage added/deducted, the Weighting fixed for the best/worst Underlying Asset. Further, the Return Features may require the Level of the Underlying Asset to reach a threshold before the relevant Return Feature applies.

The “**Initial Level**” for an Underlying Asset is either (i) as specified in the Final Terms or (ii) the prevailing level/price (“**Level**”) for that Underlying Asset on the Initial Setting Date (or, if there is more than one Initial Setting Date, the first Initial Setting Date).

The “**Final Level**” for an Underlying Asset is the Level for that Underlying Asset on the Final Observation Date (or, if there is more than one Final Observation Date, the lowest, highest or average (as specified in the Final Terms) of the Levels for that Underlying Asset on the Final Observation Dates).

“**Initial Setting Date(s)**”, “**Final Observation Date(s)**” and “**Averaging Dates**” mean the dates specified in the Final Terms.

If “**Trigger Redemption**” is specified as applicable in the Final Terms and a Trigger Event occurs, the Securities will be redeemed early on the date and at an amount specified in the Final Terms.

A “**Trigger Event**” occurs if the Level of the Underlying Asset is equal to or above or below a specified percentage of the Strike Price (“**Trigger Barrier**”) measured on specified dates or during a specified period, all as specified in the Final Terms. Where there is more than one Underlying Asset, the Final Terms will specify whether the Trigger Barrier has to be reached by one, the best/worst performing, all or the average of the Levels of the Underlying Assets.

The “**Strike Price**” of an Underlying Asset is the Level of the Underlying Asset on a specified day or the lowest, highest or average of the Levels over a period of specified days, as specified in the Final Terms.

“**FP%**”, “**OP%**”, “**Participation**” and “**Weighting**” mean the percentages specified in the Final Terms.

If specified in the Final Terms (i) the Level of any Underlying Asset will be translated into the currency (the “**Settlement Currency**”) in which payments on the Securities are made at the then applicable exchange rate or (ii) the Performance will be multiplied by the FX Return.

“**FX Return**” means the exchange rate of the currency of the Underlying Asset(s) and the Settlement Currency on the Final FX Date divided by that exchange rate on the Initial FX Date (such dates as specified in the Final Terms).

If the Underlying Asset is shares and physical settlement is specified as applicable in the Final Terms, either at the option of the relevant Issuer or on the occurrence of a physical settlement trigger event (as applicable), in lieu of paying the Redemption Amount or Settlement Amount, such Issuer shall discharge its payment obligation by delivery of an amount of shares of the Underlying Asset (or if more than one Underlying Asset, the worst or the best performing Underlying Asset) plus a cash payment in respect of any fraction of a share, each as specified in the Final Terms. Investors may have to submit a delivery notice to receive such shares.

The terms and conditions of the Securities contain provisions dealing with non-business days, disruptions and adjustments which may affect the Underlying Assets and/or the Levels and the timing and calculation of payments and may result in the Securities being redeemed earlier than they might otherwise be redeemed.

Risk Factors

There are various factors that may affect each Issuer’s ability to fulfil its obligations under the Securities. They are set out in more detail in this Base Prospectus under “Risk Factors” and any decision to invest in Securities should be based on a consideration of the relevant Risk Factors as a whole. These include the following:

Risks Relating to the Securities

Securities are obligations of the relevant Issuer. Securityholders are exposed to the credit risk of such Issuer.

Where Securities are not principal protected, investors are exposed to a return linked to the level of the Underlying Asset(s) and may lose the value of all or part of their investment.

If the amount payable on redemption of the Securities is less than their issue price, investors may lose all or part of their investment.

Any principal protection will not be applicable if Securities are redeemed before the maturity date or the settlement date.

A secondary market for the Securities may not develop and may not be liquid. A decrease in liquidity may reduce the value of Securities. Holders can only realise value from a Security prior to its maturity or expiry by selling it at its then market price in the market, which may be less than the amount initially invested. Investors must be prepared to hold Securities until their redemption or expiry.

In certain circumstances the relevant Issuer may make adjustments to the terms of the Securities (including substituting Underlying Assets) or redeem or cancel them at their fair market value as determined by it without the consent of Securityholders. Such early redemption amount may be less than the issue price of the Securities.

Call options of the Issuer in respect of Securities may negatively impact their market value.

Investors will be exposed to currency risks if the currency of the Underlying Assets is different from the currency of the Securities or of the country of the investor.

In making calculations and determinations, the relevant Issuer does not have any obligations of agency or trust to any investors and has no fiduciary obligations towards them.

An investment in Securities is not the same as an investment in the Underlying Assets or securities comprised in an equity index or an investment which is directly linked to any of them. Investors will not

benefit from any dividends unless the relevant equity index is a total return index. An index may outperform or underperform the underlying components contained in such indices.

The levels/prices of Underlying Assets (and of components in an index) may go down as well as up throughout the term of Securities which may affect the value of the Securities. There are no assurances as to the future performance of any Underlying Asset. Before investing in Securities, investors should carefully consider whether any investment linked to the relevant Underlying Assets is suitable for them.

Securities may involve complex risks, including share price, credit, commodity, foreign exchange, interest rate, political, inflation and/or issuer risks.

Securities linked to Underlying Assets which involve emerging market countries may have additional risks, including event, political, economic, credit, currency, market, regulatory/legal, settlement and clearing and investors should note that the risk of occurrence and the severity of the consequences may be greater than they would otherwise be in relation to more developed countries.

Where "Jurisdictional Event" is applicable to an Underlying Asset, the amount payable may be reduced if the value of the proceeds of the relevant Issuer's and/or its affiliates' hedging arrangements in relation to that Underlying Asset are reduced as a result of various matters relating to risks connected with the relevant country or countries specified in the Final Terms.

Where an Underlying Asset is an index composed by the relevant Issuer or an affiliate, the rules of the index may be amended by such composer. No assurance can be given that any such amendment would not be prejudicial to Securityholders.

Securities linked to the performance of commodity indices may outperform or underperform the underlying commodities contained in such indices. The price of the Securities during their lifetime and at maturity is sensitive to fluctuations in the expected futures prices and can substantially differ from the spot price of the commodities.

The level and basis of taxation on the Securities and on Securityholders and any reliefs depend on the Securityholders' individual circumstances and could change at any time. This could have adverse consequences for Securityholders.

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

Risks Relating to the Issuer

Each Issuer is exposed to a variety of risks that could adversely affect its operations and/or financial condition, including liquidity risk, market risk, credit risk, risks from estimates and valuations, risks relating to off-balance sheet entities, cross-border and foreign exchange risk, operational risk, risk management, legal and regulatory risks, competition risks and risks relating to strategy.

Neither Issuer can completely predict all market and other developments and the relevant Issuer's risk management cannot fully protect against all types of risk.

RISK FACTORS

The risk factors set out below should be read in addition to the risk factors set out on page 6 of the CSi Registration Document in respect of CSi and pages 496 to 502 (inclusive) of the 2010 Annual Report in respect of CS and CSi. 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 relevant Issuer's ability to fulfil its obligations under them.

This Base Prospectus identifies the information that an investor should consider prior to making an investment in Securities. 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.

The purchase of Securities involves substantial risks and an investment in 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 such an investment in the Securities and who have sufficient resources to be able to bear any losses that may result therefrom.

Before making an investment decision, prospective purchasers of Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus.

The risk factors set out in this Base Prospectus are not exhaustive. There may be other risks that a prospective purchaser of the Securities should consider that are relevant to its own particular circumstances or generally. 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 the Securities.

Before making any investment decision with respect to the Securities, 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 following factors and their personal circumstances.

Credit Risk

Securities are 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 and Securityholders may lose some or all of their investment.

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, cost and availability of credit, volatility, market changes, business risk, operational risk, market risk and reputation, new or increased regulation, legal risks, tax risk, regulatory compliance risk and competition.

Return at Maturity / Loss of investment

If the Return is zero then, at maturity or (in the case of Warrants) following their exercise, investors will only receive the percentage of the nominal amount that is protected which, in the case of principal protected Securities, will be at least 100 per cent. (which may be less than the issue price in which event investors will lose part of their investment) or, in the case of non-principal protected Securities, will be a lesser amount and may be zero (in which event investors will lose all or part of their investment, depending on such percentage).

Where Securities are not principal protected, investors are exposed to a return that is linked to the level of the relevant Underlying Asset or, if there is more than one Underlying Asset, the worst performing or the best performing Underlying Asset, as specified in the relevant Final Terms, and may lose the value of all or part of their investment.

If the amount payable on redemption, exercise or expiry of the Securities is less than their issue price, investors may lose all or part of their investment.

Any principal protection will not be applicable if Securities are redeemed before the maturity date or, in the case of Warrants, the settlement date.

Limited Liquidity

A secondary market for the Securities may not develop and, if one does develop, there can be no assurance that it will provide the holders of the Securities with liquidity or that it will 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 Securities. Investors must be prepared to hold Securities until their redemption or expiry.

The relevant 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. The market for Securities may be limited. The only way in which a holder can realise value from a Security prior to its maturity or expiry (other than in the case of an American style Warrant) is to sell it at its then market price in the market which may be less than the amount initially invested. The price in the market for a Security may be less than its issue price even though the value of any Underlying Asset may not have changed since the issue date. To the extent that Warrants of a particular issue are exercised, the number of Warrants remaining outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants.

Any secondary market price quoted by the relevant Issuer may be affected by several factors including, without limitation, prevailing market conditions, credit spreads and the time to maturity. Accordingly, the purchase of Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Securities and the financial and other risks associated with an investment in the Securities. Any investor in the Securities must be prepared to hold such Securities for an indefinite period of time or until redemption or expiry of the Securities.

Adjustments and Early Redemption or Cancellation

In certain circumstances, the relevant Issuer may make adjustments to the terms of the Securities (including substituting Underlying Assets) or redeem or cancel them at their fair market value as determined by it without the consent of the Securityholders. Such early redemption amount may be less than the issue price of the Securities.

Optional Redemption by the Issuer

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

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.

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

Currency Risk

Investors may be exposed to currency risks because (i) the Underlying Assets may be denominated or priced in currencies other than the currency in which the Securities are denominated or (ii) the Securities and/or the Underlying Assets may be denominated in currencies other than the currency of the country in which the investor is resident. The value of the Securities may therefore increase or decrease as a result of fluctuations in those currencies.

In addition, in the case of an Underlying Asset having a price denominated in a currency other than the Settlement Currency and in respect of which the Final Terms specify that "Composite" or "FX Adjusted" is applicable, the Level or Performance may also be affected by movements in the exchange rate between the currency in which the price of such Underlying Asset is denominated and the Settlement Currency. Such fluctuations may affect the value of the Securities.

Warrants

Warrants involve complex risks which may include interest rate, share price, commodity, foreign exchange, inflation, time value and/or political risks. Investors should recognise that their Warrants may expire worthless. They should be prepared to sustain a total loss of the purchase price of the Warrants. This risk reflects the nature of a Warrant as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires. Assuming all other factors are held constant, the more a Warrant is "out-of-the-money" and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realise a return upon the investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Asset. With respect to European-style Warrants, the only way in which a holder can realise value from the Warrant prior to the Exercise Date in relation to such Warrant is to sell it as its then market price in an available secondary market.

The Settlement Amount determined in respect of any Warrants exercised at any time prior to expiration is typically expected to be less than the value that can be realised from the Warrants if such Warrants are sold at their then market price in an available secondary market at that time. The difference between the market price value and the determined Settlement Amount will reflect, among other things, a "time value" for the Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the Underlying Asset, as well as by a number of other interrelated factors, including those specified herein.

Before exercising or selling Warrants, Warrantheolders should carefully consider, among other things, (i) the trading price of the Warrants, (ii) the value and volatility of the Underlying Asset, (iii) the time remaining to expiration, (iv) the probable range of Settlement Amounts, (v) any change(s) in interim interest rates and relevant dividend yields, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the securities comprised in any relevant equity index and (viii) any related transaction costs.

In the case of the exercise of Warrants, there will be a time lag between the giving by the Warrantholder of instructions to exercise and the determination of the Settlement Amount. It could be extended, particularly if there are limitations on the maximum amount of Warrants that may be exercised on one day. The prices or levels of the relevant Underlying Assets could change significantly during such time lag and decrease the Settlement Amount or reduce it to zero.

If so indicated in the relevant Final Terms, the relevant Issuer may limit the number of Warrants which may have the same Valuation Date (other than on the Expiration Date). In such event, the Valuation Date of Warrants forming the excess over the relevant maximum amount may be postponed.

Conflicts of Interest

In making calculations and determinations with regard to the Securities, there may be a difference of interest between the investors and the relevant Issuer. Such Issuer is required to act in good faith and in a commercially reasonable manner but does not have any obligations of agency or trust to any investors and has no fiduciary obligations towards them. In particular, the relevant Issuer and its affiliated entities may have interests in other capacities (such as other business relationships and activities).

Each of the relevant Issuer, the Calculation Agent, the Dealer or any of their respective affiliates may have existing or future business relationships with each other (including, but not limited to, lending, depository, derivative counterparty, risk management, advisory and banking relationships), and may pursue actions and take steps that it deems necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Securityholder.

Hedging

In the ordinary course of its business the relevant Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and may enter into one or more hedging transactions with respect to the Securities or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the relevant Issuer and/or any of its affiliates, the relevant Issuer and/or any of its affiliates may enter into transactions in or in respect of the Underlying Assets 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.

Securities linked to other Assets

Where the amounts of payments under the Securities are linked to the performance or evolution of shares, exchange traded funds, depository receipts, equity indices, commodities, commodity indices, exchange rates, exchange rate indices, funds, inflation indices, interest rate indices, cash indices and/or other variables ("**Underlying Assets**"), an investment in the Securities is not the same as an investment in any or all of the Underlying Assets or any securities comprised in a relevant equity index or an investment which is directly linked to any of them. In particular, investors will not benefit from any dividends unless the relevant equity index is a total return index.

The levels or prices of Underlying Assets (and of securities or other components comprised in an index) may go down as well as up throughout the term of the Securities. Such fluctuations may affect the value of the Securities. Furthermore, the levels or prices at any specific date may not reflect their prior or future performance or evolution. There can be no assurance as to the future performance or evolution of any Underlying Asset. Accordingly, before investing in the Securities, investors should carefully consider whether any investment linked to the relevant Underlying Assets is suitable for them.

The Securities may involve complex risks, which include, among other things, share price risks, credit risks, commodity risks, foreign exchange risks, interest rate risks, political risks, inflation risks and/or issuer risks.

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

Event Risk

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

Political Risk

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

Economic Risk

The economies of emerging markets countries are by their nature in early or intermediate stages of economic development, and therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trades and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign Securityholders. Furthermore, many emerging markets countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well regulated. All of the above factors, among others, can affect the proper

functioning of the economy and have a corresponding adverse effect on the performance of the relevant Underlying Assets linked to a particular market.

Credit Risk

Emerging markets sovereign and corporate debt tends to be riskier than sovereign and corporate debt in established markets. Issuers and obligors of debt in these countries are more likely to be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to go into default. The sovereign debt of some countries is currently in technical default and there are no guarantees that such debt will eventually be restructured allowing for a more liquid market in that debt. The measure of a company's or government's ability to repay its debt affects not only the market for that particular debt, but also the market for all securities related to that company or country.

Additionally, evaluating credit risk for foreign bonds involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Many debt securities are simply unrated and may already be in default or considered distressed. There is often less publicly available business and financial information about foreign issuers than those in developed countries. Furthermore, foreign companies are often not subject to uniform accounting, auditing and financial reporting standards. Also, some emerging markets countries may have accounting standards that bear little or no resemblance to, or may not even be reconcilable with, U.S. generally accepted accounting principles.

Currency Risk

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

Market Risk

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

Price volatility in many of these markets can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These markets also might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. It may be difficult to employ certain risk management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

Regulatory/Legal Risk

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

Trade Settlement, Processing and Clearing

Many emerging markets have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safe keeping of securities. Custodians can include domestic and foreign custodian banks and depositories, among others. The registration, recordkeeping and transfer of Securities may be carried out manually, which may cause delays in the recording of ownership. Where applicable, the relevant Issuer will settle trades in emerging markets securities in accordance with the currency market practice developed for such transactions by the Emerging Markets Traders Association. Otherwise, the transaction may be settled in accordance with the practice and procedure (to the extent applicable) of the relevant market. There are times when settlement dates are extended, and during the interim the market price of any Underlying Assets and in turn the value of the Securities, may change.

Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Securityholders may be subject to operational risks in the event that Securityholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Securityholders may be subject by virtue of their activities with respect to emerging market securities.

The amount payable which is referable to an Underlying Asset to which “Jurisdictional Event” is specified to be applicable may be reduced if the value of the proceeds of the relevant Issuer’s hedging arrangements in relation to that Underlying Asset are reduced as a result of various matters (each described as a “**Jurisdictional Event**”) relating to risks connected with the relevant country or countries specified in the Final Terms.

Where the Underlying Asset is a basket of shares which includes depository receipts, investors should consult the relevant deposit agreement for the rights attaching to those depository receipts, which may be different from the rights attaching to the shares themselves. In particular, depository receipts may not get the benefit of any dividend paid on the shares.

Where an Underlying Asset is an index (a “**Proprietary Index**”) composed by the Issuers or one of their affiliates (the “**Index Creator**”), the rules of the index may be amended by the Index Creator. No

assurance can be given that any such amendment would not be prejudicial to Securityholders. The value of a Proprietary Index is published subject to the provisions in the rules of the index. None of the Issuers, the Index Creator or the relevant publisher is obliged to publish any information regarding such index other than as stipulated in the rules of the index. The Index Creator may enter into licensing arrangements with investors pursuant to which the investor in question can obtain further and more detailed information, such as the constituent stocks, against payment of licensing fees and typically subject to a time lag. It is expected that only large professional investors will enter into such licensing arrangements.

The Issuers and the Index Creator are affiliated entities and may face a conflict of interest between their obligations as Issuer and Index Creator, respectively, and their interests in another capacity. No assurance can be given that the resolution of such potential conflicts of interest may not be prejudicial to the interests of Securityholders.

The Securities may be linked to the performance of specific commodity indices. As a result of rollover gains/costs that have to be taken into account within the calculation of such indices and under certain market conditions, such indices may outperform or underperform the underlying commodities contained in such indices. Furthermore, the prices of the underlying commodities may be referenced by the price of the current futures contract or active front contract and rolled into the following futures contract before expiry. The price of the Securities during their lifetime and at maturity is, therefore, sensitive to fluctuations in the expected futures prices and can substantially differ from the spot price of the commodities. Commodities strongly depend on supply and demand and are subject to increased price fluctuations. Such price fluctuations may be based (among others) on the following factors: perceived shortage of the relevant commodity, weather damage, loss of harvest, governmental intervention or political upheavals.

Tax

Potential purchasers and sellers of the Securities should take note of the information set out in the section headed "Taxation" of this Base Prospectus.

Purchasers of 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.

TERMS AND CONDITIONS

The Securities will be subject to the General Terms and Conditions and Asset Terms set out in the Principal Base Prospectus as specified in the relevant Final Terms and also to the following provisions. In the case of a discrepancy or conflict with such General Terms and Conditions or Asset Terms, the following provisions shall prevail.

The Securities will be issued by either Credit Suisse AG (“CS”) or Credit Suisse International (“CSI”). Where the Securities are issued by CS, CS will act through its London Branch or its Nassau Branch. The Issuer and the Branch (if applicable) will be set out in the relevant Final Terms and references herein to “Issuer” shall be construed accordingly.

1 Definitions

“**A**” is equal to the number of Underlying Assets specified in the relevant Final Terms.

“**Averaging Date_D**” means, subject to the Asset Terms, each date specified as such in the relevant Final Terms.

“**Asset_iBase**” means Asset_iInitial or Asset_iInitial Period Level, as specified in the Final Terms.

“**Asset_iCurrent_D**” means the Level (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of Underlying Asset_i on the relevant Averaging Date_D.

“**Asset_iFinal**” means, (a) if Multi-Option Redemption is applicable: in respect of the relevant Option_N, the Level of Underlying Asset_i on the Final Observation Date for that Option or, if more than one Final Observation Date is specified in the relevant Final Terms for that Option, the lowest or highest or average (as specified in the relevant Final Terms) of the Levels of Underlying Asset_i on the Final Observation Dates for that Option or (b) if Single-Option Redemption is applicable: the Level of Underlying Asset_i on the Final Observation Date or, if more than one Final Observation Date is specified in the relevant Final Terms, the lowest or highest or average (as specified in the relevant Final Terms) of the Levels of Underlying Asset_i on the Final Observation Dates. For the purposes of this definition, the Level(s) shall be determined either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms.

“**Asset_iInitial**” means, (a) if Multi-Option Redemption is applicable: in respect of the relevant Option_N, either (i) as specified in the relevant Final Terms or (ii) the Level of Underlying Asset_i on the Initial Setting Date for that Option or, if more than one Initial Setting Date is specified in the relevant Final Terms for that Option, the first Initial Setting Date for that Option or (b) if Single-Option Redemption or Averaged Option Redemption is applicable: either (i) as specified in the relevant Final Terms or (ii) the Level of Underlying Asset_i on the Initial Setting Date or, if more than one Initial Setting Date is specified in the relevant Final Terms, the first Initial Setting Date. For the purposes of this definition, the Level(s) shall be determined either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms.

“**Asset_iInitial Period Level**” means, (a) if Multi-Option Redemption is applicable: in respect of the relevant Option_N, either (i) as specified in the relevant Final Terms or (ii) the Level of Underlying Asset_i on the Initial Setting Date for that Option or, if more than one Initial Setting Date is specified in the relevant Final Terms for that Option, the lowest or highest or average (as specified in the relevant Final Terms) of the Levels of Underlying Asset_i on the Initial Setting Dates for that Option or (b) if Single-Option Redemption or Averaged Option Redemption is applicable: either (i) as specified in the relevant Final Terms or (ii) the Level of Underlying Asset_i on the Initial Setting Date or, if more than one Initial

Setting Date is specified in the relevant Final Terms, the lowest or highest or average (as specified in the relevant Final Terms) of the Levels of Underlying Asset, on the Initial Setting Dates. For the purposes of this definition, the Level(s) shall be determined either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms.

“Best Performing Underlying Asset” means the Underlying Asset with the highest Underlying Asset Return, provided that if two or more Underlying Assets have the same highest Underlying Asset Return, then the Issuer and/or the Calculation Agent shall determine, in its/their absolute discretion, which Underlying Asset shall be the Best Performing Underlying Asset and such Underlying Asset shall be deemed to be the Best Performing Underlying Asset. Where Averaged-Option Redemption is applicable, the Best Performing Underlying Asset shall be determined using the Underlying Asset Return for the last Averaging Date.

“Currency Rate” means, on any date, the rate, as determined by the Issuer, for the spot purchase of the Underlying Currency with the Settlement Currency, expressed as either (i) an amount of Underlying Currency per 1.0 of Settlement Currency or (ii) the amount of Settlement Currency per 1.0 of Underlying Currency (as specified in the Final Terms), based on the rate displayed at the FX Time on the relevant FX Page (or, if the Issuer determines that, as at the relevant FX Time, such rate is not displayed, as determined by the Issuer in its absolute discretion) and taking into account prevailing market conditions.

“D” is equal to the number of Averaging Dates specified in the relevant Final Terms.

“Delivery Day” means a day on which Shares comprised in the Share Amount(s) may be delivered to Securityholders in the manner which the Issuer has determined to be appropriate.

“Delivery Notice” means a notice as referred to in paragraph 4 below.

“Disruption Cash Settlement Price” means in respect of each Security, an amount in the Settlement Currency equal to the fair market value of the Share Amount (taking into account, where the Settlement Disruption Event affected some but not all of the Shares comprising the Share Amount and such non-affected Shares have been duly delivered, the value of such Shares), less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer.

“Final FX Date” means, subject to the Asset Terms, the date so specified in the relevant Final Terms.

“Final Observation Date” means, subject to the Asset Terms, the date or dates so specified in the relevant Final Terms.

“Final Price” means the Share Price (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of the Underlying Asset on the Final Observation Date or, if more than one Final Observation Date, the last Final Observation Date.

“Floor” means the percentage specified in the relevant Final Terms and where “Floor_N” is specified, it shall be the Floor in respect of the relevant Option_N, as specified in the relevant Final Terms.

“FP%” means the percentage so specified in the relevant Final Terms.

“Fractional Amount” means any fractional interest in one Share forming part of the Ratio.

“Fractional Cash Amount” means, in respect of each Security and in respect of Shares of a Share Issuer, the amount in the Settlement Currency (rounded to the nearest smallest transferable unit of such currency, half such a unit being rounded upwards) calculated by the Issuer in accordance with the following formula:

$$\text{Final Price} \times \text{Fractional Amount} \times \text{Spot Rate}$$

“**FX Page**” means the relevant Bloomberg Page for the relevant Currency Rate specified in the Final Terms or any successor page on which the Issuer determines that the relevant Currency Rate is displayed.

“**FX Return**” means an amount, expressed as a percentage, determined by the Issuer in accordance with the following formula and rounded up to four decimal places:

$$\frac{\text{FX Final}}{\text{FX Initial}}$$

“**FX Final**” means the Currency Rate as determined by the Issuer on the Final FX Date.

“**FX Initial**” means the Currency Rate as determined by the Issuer on the Initial FX Date.

“**FX Time**” means the time specified in the Final Terms.

“**Initial Averaging Date**” means, subject to the Asset Terms, each of the dates so specified in the relevant Final Terms.

“**Initial FX Date**” means, subject to the Asset Terms, the date so specified in the relevant Final Terms.

“**Initial Setting Date**” means, subject to the Asset Terms, the date or dates so specified in the relevant Final Terms.

“**Issue Date**” means the date so specified in the relevant Final Terms.

“**Level**” means the Share Price, Index Level, Commodity Reference Price, Commodity Index Level, Fund Interest Value, FX Rate, FX Index level, level of the Inflation Index, Interest Rate Index level or Cash Index Level of the relevant Underlying Asset (and if not denominated in the Settlement Currency and “**Composite**” is specified in the Final Terms for the relevant Underlying Asset, translated into the Settlement Currency at the prevailing exchange rate as determined by the Calculation Agent in its sole discretion).

“**Maturity Date**” means the date specified in the relevant Final Terms on which the Securities will be redeemed, unless the Securities have previously been redeemed, purchased or cancelled and subject to any possible postponement of the Final Observation Date, the last Final Observation Date or the last Averaging Date, as applicable.

“**Nominal Amount**” or “**NA**” means the nominal amount of each Security specified in the relevant Final Terms.

“**Participation**” means the percentage so specified in the relevant Final Terms (which may be positive or negative) and where “Participation_N” is specified, it shall be the Participation in respect of the relevant Option_N, as specified in the relevant Final Terms.

“**Physical Settlement**” means, if so specified in the relevant Final Terms, the delivery of the relevant Underlying Asset pursuant to the Physical Settlement Trigger or Physical Settlement Option, as applicable.

“**Physical Settlement Trigger Event**” means, in respect of the Physical Settlement Trigger Observation Date and either with regard to the Valuation Time or without regard to the Valuation Time (as specified in the relevant Final Terms), the Share Price of the Underlying Asset or the Share Price of any Underlying Asset or the Share Price of each Underlying Asset or the Share Price of the Best Performing Underlying Asset or the Share Price of the Worst Performing Underlying Asset, as specified in the relevant Final Terms, is below or at or below the Physical Settlement Trigger Event Barrier.

“Physical Settlement Trigger Event Barrier” means, in respect of an Underlying Asset and the Physical Settlement Trigger Observation Date, the Share Price equal to a percentage of the Strike Price of such Underlying Asset, as specified in the relevant Final Terms.

“Physical Settlement Trigger Observation Date” means the date so specified in the relevant Final Terms.

“PP%” means the percentage specified in the relevant Final Terms.

“Presentation Date” means the latest date prior to the Maturity Date or Expiration Date (as applicable) by which the Issuer determines that a Delivery Notice must have been delivered by the Securityholder in order for the Issuer, in accordance with its administrative practices, to deliver the relevant Share Amounts on the Share Delivery Date.

“Ratio” means, in respect of a Share, subject to the Asset Terms, the number of Shares specified as such in the relevant Final Terms, or if the number of Shares is not so specified, the number of Shares calculated by the Issuer in accordance with the following formula:

$$\text{Nominal Amount} \times [\text{Spot Rate or Strike Price (as specified in the Final Terms)}]$$

“Redemption Amount” or **“Settlement Amount”** means, in respect of each Security (subject, where the Underlying Asset(s) is/are Shares and Physical Settlement is specified as applicable in the relevant Final Terms, as provided in paragraph 4 below), an amount determined by the Issuer in accordance with the following formula (rounded down to the nearest transferable unit of the Settlement Currency) and, if specified in the relevant Final Terms, subject to the Redemption Amount Floor and/or Redemption Amount Cap, if applicable:

(a) If “Multi-Option Redemption” is specified as applicable in the relevant Final Terms:

$$(\text{PP\%} \times \text{NA}) + (\text{NA} \times \text{Max [0\%, Performance} + \text{FP\%]})$$

where, for the purposes of Multi-Option Redemption:

“Performance” means an amount rounded up to four places of decimals determined by the Issuer as either (i) the aggregate of all Option Return_N amounts or (ii) the average of all Option Return_N amounts or (iii) the Option Return_N of the best or worst performing Option Return_N (as specified in the Final Terms), multiplied by the OP% and, if “FX Adjusted” is specified as applicable in the relevant Final Terms, multiplied by the FX Return.

where:

“OP%” means the percentage specified in the relevant Final Terms.

“Option Return_N” means, subject to any Return Features set out in paragraph 3 below specified to be applicable in the relevant Final Terms, in respect of each Option_N, an amount rounded up to four places of decimals determined by the Issuer in accordance with the following formula:

$$\text{Max (Floor}_N; \text{Underlying Performance}_N) \times \text{Participation}_N$$

“Option_N” means a potential payoff with a specified Strike_N, Participation_N, Floor_N, Type_N, Final Observation Date(s)_N and Initial Setting Date(s)_N all as set out in the relevant Final Terms. Each Option_N, and its defining properties, are separately identifiable through the unique number N assigned to it in the relevant Final Terms.

“Underlying Performance_N” means, in respect of the relevant Option_N, an amount rounded up to four places of decimals determined by the Issuer in accordance with the following formula:

$$\sum_{i=1}^A \text{UAR}_i^N \times \text{Weighting}_i$$

where

“UAR_i^N” is the “**Underlying Asset Return**” calculated for Underlying Asset_i in respect of Option_N, determined by the Issuer as an amount rounded up to four places of decimals in accordance with the following formula:

(a) if Type_N for the relevant Option_N is specified as “Call” in the relevant Final Terms then:

$$\frac{\text{Asset}_i^{\text{Final}} - (\text{Strike}_N \times \text{Asset}_i^{\text{Initial Period Level}})}{\text{Asset}_i^{\text{Base}}}; \text{ or}$$

(b) if Type_N for the relevant Option_N is specified as “Put” in the relevant Final Terms then:

$$\frac{(\text{Strike}_N \times \text{Asset}_i^{\text{Initial Period Level}}) - \text{Asset}_i^{\text{Final}}}{\text{Asset}_i^{\text{Base}}}$$

(b) If “Single-Option Redemption” is specified as applicable in the relevant Final Terms:

$$(\text{PP}\% \times \text{NA}) + (\text{NA} \times \text{Max} [0\%, \text{Performance} + \text{FP}\%])$$

where, for the purposes of Single-Option Redemption:

“**Performance**” means, subject to any Return Features set out in paragraph 3 below specified to be applicable in the relevant Final Terms, an amount rounded up to four places of decimals determined by the Issuer in accordance with the following formula and, if “FX Adjusted” is specified as applicable in the relevant Final Terms, multiplied by the FX Return:

$$\text{Max} (\text{Floor}; \text{Underlying Performance}) \times \text{Participation}$$

where:

“**Underlying Performance**” means an amount rounded up to four places of decimals determined by the Issuer in accordance with the following formula:

$$\sum_{i=1}^A \text{UAR}_i \times \text{Weighting}_i$$

where

“UAR_i” is the “**Underlying Asset Return**” calculated for Underlying Asset_i, determined by the Issuer as an amount rounded up to four places of decimals in accordance with the following formula:

(a) if Type is specified as “Call” in the relevant Final Terms then:

$$\frac{\text{Asset}_i^{\text{Final}} - (\text{Strike} \times \text{Asset}_i^{\text{Initial Period Level}})}{\text{Asset}_i^{\text{Base}}}; \text{ or}$$

(b) if Type is specified as “Put” in the relevant Final Terms then:

$$\frac{(\text{Strike} \times \text{Asset}_i \text{Initial Period Level}) - \text{Asset}_i \text{Final}}{\text{Asset}_i \text{Base}}$$

(c) If “Averaged-Option Redemption” is specified as applicable in the relevant Final Terms:

$$(\text{PP}\% \times \text{NA}) + (\text{NA} \times \text{Max} [0\%, \text{Performance} + \text{FP}\%])$$

where, for the purposes of Averaged-Option Redemption:

“**Performance**” means, subject to any Return Features set out in paragraph 3 below specified to be applicable in the relevant Final Terms, an amount rounded up to four places of decimals determined by the Issuer in accordance with the following formula and, if “FX Adjusted” is specified as applicable in the relevant Final Terms, multiplied by the FX Return:

$$\text{Max} (\text{Floor}; \text{Averaged Performance}) \times \text{Participation}$$

where:

“**Averaged Performance**” means an amount rounded up to four places of decimals determined by the Issuer in accordance with the following formula:

$$\frac{1}{D} \times \sum_{i=1}^D \text{Underlying Performance}_D$$

“**Underlying Performance_D**” means the Underlying Performance for the relevant Averaging Date_D calculated as an amount rounded up to four places of decimals determined by the Issuer in accordance with the following formula:

$$\sum_{i=1}^A \text{UAR}_i \times \text{Weighting}_i$$

where

“**UAR_i**” is the “**Underlying Asset Return**” calculated for Underlying Asset_i determined by the Issuer as an amount rounded up to four places of decimals in accordance with the following formula:

(a) if Type is specified as “Call” in the relevant Final Terms then:

$$\frac{\text{Asset}_i \text{Current}_D - (\text{Strike} \times \text{Asset}_i \text{Initial Period Level})}{\text{Asset}_i \text{Base}}; \text{ or}$$

(b) if Type is specified as “Put” in the relevant Final Terms then:

$$\frac{(\text{Strike} \times \text{Asset}_i \text{Initial Period Level}) - \text{Asset}_i \text{Current}_D}{\text{Asset}_i \text{Base}}$$

“**Redemption Amount Cap**” means a percentage of the Nominal Amount as specified in the relevant Final Terms.

“**Redemption Amount Floor**” means a percentage of the Nominal Amount as specified in the relevant Final Terms.

“**Settlement Amount**” means the Redemption Amount.

“**Settlement Currency**” means the currency specified in the relevant Final Terms.

“Settlement Disruption Event” means an event determined by the Issuer to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) Shares comprised in the Share Amount(s) in accordance with paragraph 4(c)(ii).

“Share Amount” means, subject as provided in paragraph 4(c), in respect of each Security, the number of Shares equal to the Ratio rounded down to the nearest integral number of Shares.

“Share Delivery Date” means, in respect of a Share, subject as provided in paragraph 4(c)(ii), the Maturity Date or Expiration Date (as applicable) or, if such day is not a Delivery Day, the first succeeding Delivery Day.

“Spot Rate” means, in respect of a Share, the prevailing spot rate determined by the Issuer in its discretion on the Final Observation Date (or if more than one Final Observation Date, the last Final Observation Date) or, at the discretion of the Issuer, on the Banking Day in the city of the Principal Paying Agent or Fiscal Agent following the Final Observation Date (or if more than one Final Observation Date, the last Final Observation Date) expressed as the number of units of the Settlement Currency that could be bought with one unit of the currency in which the relevant Share is quoted on the relevant Exchange (or, if no direct exchange rates are published, the effective rate resulting from the application of rates into and out of one or more intermediate currencies).

“Strike” means the percentage so specified in the relevant Final Terms and where **“Strike_N”** is specified, it shall be the Strike in respect of the relevant Option_N, as specified in the relevant Final Terms.

“Strike Price” means (i) in respect of Physical Settlement, the Share Price (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of the Underlying Asset on the Initial Setting Date or, if more than one Initial Setting Date, the last Initial Setting Date or (ii) in respect of the Trigger Barrier and an Underlying Asset, one of the following as specified in the relevant Final Terms:

- (a) The Level specified in the relevant Final Terms;
- (b) The Level (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset on the Initial Setting Date; or
- (c) The lowest, highest or average of the Levels (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of such Underlying Asset in respect of the Initial Averaging Dates, rounded down to two places of decimals.

“Trigger Barrier” means, in respect of an Underlying Asset and a Trigger Barrier Observation Date, the Level of such Underlying Asset equal to a percentage of the Strike Price of such Underlying Asset, as specified in the relevant Final Terms, provided that where there are two or more Underlying Assets and the average of either the highest two Levels, the lowest two Levels or all Levels of each of the Underlying Assets, as specified in the Final Terms, is used to determine whether a Trigger Event has occurred or not, the Strike Price shall be the average of the Strike Prices of such Underlying Assets.

“Trigger Barrier Observation Date” means (as specified in the relevant Final Terms) either (a) any Currency Business Day in the Trigger Barrier Observation Period or (b) any of the dates so specified in the relevant Final Terms.

“Trigger Barrier Observation Period” means the period, if any, specified in the relevant Final Terms.

“Trigger Barrier Redemption Amount” means, in respect of each Security in respect of which a Trigger Event has occurred, an amount equal to a percentage of the Nominal Amount, as specified in the relevant Final Terms.

“Trigger Barrier Redemption Date” means, either (i) any of the dates specified in the relevant Final Terms following the occurrence of the Trigger Event or (ii) if specified in the relevant Final Terms, a date selected by the Issuer falling not later than 10 Currency Business Days immediately following the occurrence of the Trigger Event.

“Trigger Event” means, subject to the relevant Asset Terms, in respect of any Trigger Barrier Observation Date and either with regard to the Valuation Time or without regard to the Valuation Time (as specified in the relevant Final Terms), the Level of the Underlying Asset or the Level of each Underlying Asset or the Level of any Underlying Asset or the Level of the Worst Performing Underlying Asset or the Level of the Best Performing Underlying Asset or the Level of each of the Underlying Assets or the average of either the highest two Levels, lowest two Levels or all Levels of each of the Underlying Assets, as specified in the relevant Final Terms, is:

- (i) above the Trigger Barrier;
- (ii) at or above the Trigger Barrier;
- (iii) below the Trigger Barrier; or
- (iv) at or below the Trigger Barrier,

provided that, where the Trigger Event is without regard to the Valuation Time, for the purposes of the definition of Level used therein, the reference to “as at the Valuation Time” in the definition of Share Price, Index Level, FX Rate and Cash Index Level (as applicable) shall be deemed replaced with “at any time”.

“Type” means either Call or Put, as specified in the relevant Final Terms and where **“Type_N”** is specified, it shall be the Type in respect of the relevant Option_N, as specified in the relevant Final Terms.

“Underlying Asset_i” means the relevant Underlying Asset specified in the relevant Final Terms.

“Underlying Currency” means the currency of the Underlying Asset(s).

“Weighting_i” means the weighting in respect of the relevant Underlying Asset as specified in the relevant Final Terms.

“Worst Performing Underlying Asset” means the Underlying Asset with the lowest Underlying Asset Return, provided that if two or more Underlying Assets have the same lowest Underlying Asset Return, then the Issuer and/or the Calculation Agent shall determine, in its/their absolute discretion, which Underlying Asset shall be the Worst Performing Underlying Asset and such Underlying Asset shall be deemed to be the Worst Performing Underlying Asset. Where Averaged-Option Redemption is applicable, the Worst Performing Underlying Asset shall be determined using the Underlying Asset Return for the last Averaging Date.

2 Redemption

(a) All Types of Securities

Unless they have previously been redeemed or purchased and cancelled, and subject to (b) below, the Issuer shall redeem the Securities on the Maturity Date at their Redemption Amount or, in the case of Warrants, on the Expiration Date at their Settlement Amount.

(b) *Trigger Redemption*

If “Trigger Redemption” is specified as applicable in the relevant Final Terms and a Trigger Event occurs, the Issuer shall redeem the Securities (unless previously redeemed or purchased and cancelled) on the relevant Trigger Barrier Redemption Date at the Trigger

Barrier Redemption Amount. Thereafter no further payments of interest or premium will be made.

(c) *Italian Securities*

If the Final Terms specify that the Additional Provisions for Certificates listed on Borsa Italiana S.p.A. as set out in the Principal Base Prospectus shall apply then Condition 2(b) above shall be amended by replacing “the Issuer shall redeem the Securities” (in both paragraphs) with “the Securities will be automatically exercised according to Condition 2(a)”.

For the avoidance of doubt, if the Trigger Redemption provisions and/or the Issuer’s Call Option are applicable and a Trigger Event occurs or the Issuer exercises its Call Option (as applicable), the Securities will be automatically exercised in accordance with Condition 2(a) (as amended by this Condition), or (ii) if a Trigger Event does not occur or the Issuer does not exercise its Call Option (as applicable), the Securities will be automatically exercised on the Maturity Date at an amount per Security equal to the Redemption Amount.

3 Return Features

If one or more of the following features is specified in the relevant Final Terms in respect of an Option, the calculation of the relevant Option Return will be subject to such features:

- (i) Each Underlying Asset Return is subject to a maximum and/or a minimum percentage as specified in the relevant Final Terms.
- (ii) The highest or lowest of one or more (as specified in the relevant Final Terms) Underlying Asset Return(s) is/are replaced with a percentage or subject to an addition or deduction of a percentage amount, as specified in the relevant Final Terms.
- (iii) If, during a time period or on a specified date (as specified in the relevant Final Terms), the Level (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of an Underlying Asset or each Underlying Asset (as specified in the relevant Final Terms) is at any time during such time period or on such date equal to or higher than or lower than (as specified in the relevant Final Terms) a percentage (as specified in the relevant Final Terms) of its or the relevant Underlying Asset’s $Asset_t$ Initial or $Asset_t$ Initial Period Level (as specified in the relevant Final Terms), then the Underlying Asset Return of that Underlying Asset or each Underlying Asset (as specified in the relevant Final Terms) will be either equal to a percentage or subject to an addition or deduction of a percentage amount, as specified in the relevant Final Terms;
- (iv) If, during a time period or on a specified date (as specified in the relevant Final Terms), the Level (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of an Underlying Asset or each Underlying Asset (as specified in the relevant Final Terms) is on any day during such time period or on such date equal to or higher than or lower than (as specified in the relevant Final Terms) a percentage (as specified in the relevant Final Terms) of its or the relevant Underlying Asset’s $Asset_t$ Initial or $Asset_t$ Initial Period Level (as specified in the relevant Final Terms), then the Underlying Performance for Option_N (as specified in the relevant Final Terms) will be equal to a percentage as specified in the relevant Final Terms;
- (v) The Weighting of the Underlying Asset that performs best or worst (as specified in the relevant Final Terms) during a time period or on a specified date (as specified in the relevant Final Terms) (by comparing the Level (either with regard to the Valuation Time or without regard to the Valuation Time, as specified in the relevant Final Terms) of each Underlying Asset during such

time period or on such date with its Asset_iInitial or Asset_iInitial Period Level (as specified in the relevant Final Terms), shall be deemed to be 100 per cent. and the Weighting of all other Underlying Assets shall be deemed to be zero per cent.;

- (vi) The Underlying Performance for Option_N (as specified in the relevant Final Terms) is subject to a maximum percentage as specified in the relevant Final Terms.

provided that, where the relevant Return Feature is calculated without regard to the Valuation Time, for the purposes of the definition of Level used therein, the reference to “as at the Valuation Time” in the definition of Share Price, Index Level, FX Rate and Cash Index Level (as applicable) shall be deemed replaced with “at any time”.

4 Delivery of Shares (Physical Settlement)

- (a) *Redemption by delivery of Shares*

This option is only possible where the relevant Shares are issued by a third party issuer and admitted to trading on an EU regulated market.

- (A) Physical Settlement Trigger

Where the Underlying Asset is Shares and the relevant Final Terms specify that the Physical Settlement Trigger is applicable and if the Physical Settlement Trigger Event occurs, in lieu of paying the Redemption Amount or Settlement Amount (as applicable), the Issuer shall discharge its payment obligation by (i) delivery of the Share Amount (or if there is more than one Underlying Asset, the Share Amount of the Worst Performing Underlying Asset or the Best Performing Underlying Asset, as specified in the relevant Final Terms) on the Share Delivery Date and (ii) payment on the Maturity Date or Expiration Date (as applicable) of any Fractional Cash Amount.

If the Physical Settlement Trigger Event occurs and the Physical Settlement Trigger is specified as applicable in the relevant Final Terms, the Issuer shall, as soon as practicable, and on or prior to the Banking Day that is at least a number of Banking Days prior to the Presentation Date equal to the Presentation Date Notice Period set out in the relevant Final Terms, give notice to the Securityholders in accordance with the General Conditions that the Physical Settlement Trigger Event has occurred and provide details of the Presentation Date.

- (B) Physical Settlement Option

Where the Underlying Asset is Shares and the relevant Final Terms specify that the Physical Settlement Option is applicable and if the Physical Settlement Option Notice has been delivered, in lieu of paying the Redemption Amount or Settlement Amount (as applicable), the Issuer shall discharge its payment obligation by (i) delivery of the Share Amount (or if there is more than one Underlying Asset, the Share Amount of the Worst Performing Underlying Asset or the Best Performing Underlying Asset, as specified in the relevant Final Terms) on the Share Delivery Date and (ii) payment on the Maturity Date or Expiration Date (as applicable) of any Fractional Cash Amount.

“**Physical Settlement Option Notice**” means a notice from the relevant Securityholder to the Issuer and the Paying Agent confirming that the Physical Settlement Option is exercised. Such notice must be delivered to the Issuer and the Paying Agent on or prior to the Banking Day that is at least a number of Banking Days prior to the Maturity Date or Settlement Date (as applicable) equal to the Physical Settlement Option Notice Period set out in the relevant Final Terms. Any Physical Settlement Option Notice delivered after such date will not be valid.

If the Physical Settlement Option is specified as applicable in the relevant Final Terms and a valid Physical Settlement Option Notice has been delivered, the Issuer shall, as soon as practicable, and on or prior to the Banking Day that is at least a number of Banking Days prior to the Presentation Date (such number of Banking Days being equal to the Presentation Date Notice Period set out in the relevant Final Terms), provide details of the Presentation Date.

For both (A) and (B) above, if the Securities are to be redeemed by Physical Settlement, the Share Amounts in respect of the Securities shall be delivered subject to and in accordance with the following provisions and, where applicable, the rules and operating procedures of the relevant Clearing System.

(b) *Delivery Notices*

In order to obtain delivery of the Share Amount(s), the relevant Securityholder must deliver to any Paying Agent, on or before the Presentation Date, the relevant Security(ies) (if individually certificated) and a duly completed Delivery Notice.

The “**Delivery Notice**” shall be substantially in such form as the Issuer may determine and copies may be obtained from any Agent.

The Delivery Notice must:

- (i) specify the name and address of the relevant Securityholder, the securities account in the Clearing System where the relevant Securities are to be debited and the securities account in the Clearing System to be credited with the relevant Share Amounts;
- (ii) certify that the beneficial owner of the relevant Securities is not a U.S. person; and
- (iii) authorise the production of such notice in any applicable administrative or legal proceedings.

No Delivery Notice may be withdrawn after receipt thereof by a Paying Agent. Upon the delivery of the Delivery Notice, the Securityholder may not transfer the Securities which are the subject of such Delivery Notice.

Failure properly to complete and deliver a Delivery Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the relevant Paying Agent, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder.

If the relevant Security and the related Delivery Notice are delivered to any Paying Agent on a day that is not a Banking Day in the city of the relevant Paying Agent, such Security and Delivery Notice shall be deemed to be delivered on the next following such Banking Day.

The Issuer shall have no obligation to make delivery of the Share Amount in respect of such Security unless and until a duly completed Delivery Notice (together with the relevant Security if individually certificated) are each delivered as provided above. If the duly completed Delivery Notice (together with the relevant Security if individually certificated) are each delivered after the Presentation Date, delivery of such Share Amount shall be made as soon as possible thereafter but not earlier than the Share Delivery Date.

For the avoidance of doubt, the relevant holder of a Security shall not be entitled to any additional or further payment by reason of the delivery of the Share Amount in respect of such Security occurring after the Share Delivery Date as a result of such Delivery Notice or Security being delivered after the Presentation Date.

Securityholders should note that, since the Presentation Date may fall before the date on which the Issuer notifies them of the method of redemption, they may not know by then whether the Securities will be redeemed by payment or by delivery of the Share Amount. However, if the Delivery Notice and the relevant Securities are not delivered by the Presentation Date in accordance with this Condition and the Securities are to be redeemed by delivery of the Share Amount, the Securityholder will receive the Share Amount later than if the Delivery Notice and the relevant Securities had been so delivered by the Presentation Date.

(c) *Share Amounts*

(i) Delivery of Share Amounts

Without prejudice to paragraph 4(c)(ii) below, the Issuer shall on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Security to the relevant Clearing System (or, in the case of any Share Amount which is not eligible for delivery within the relevant Clearing System, using such other commercially reasonable manner as the Issuer may select) at the risk and expense of the relevant Securityholder. The Securityholder is required to pay all taxes and fees in connection with the delivery of the Share Amount, if any and no delivery shall take place until all such taxes and fees have been paid by the Securityholder to the absolute satisfaction of the Issuer. As used herein, "delivery" in relation to any Share Amount means the carrying out of the steps required of the Issuer (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "deliver" shall be construed accordingly. The Issuer shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars, incompatible or incorrect information being contained in any Delivery Notice or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Securityholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer shall not be under any obligation to register or procure the registration of the Securityholder or any other person as the registered shareholder in the register of members of the Share Issuer.

Securityholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer shall not at any time be obliged to account to a Securityholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to the Asset Terms.

Neither the Issuer (nor any other person) shall (i) be under any obligation to deliver (or procure delivery) to such Securityholder (or any other person), any letter, certificate, notice, circular or any other document received by the Issuer (or that person) in its capacity as the holder of such Shares, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Shares or (iii) be under any liability to such Securityholder or any subsequent beneficial owner of such Shares in respect of any loss or damage which such Securityholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of such Shares.

(ii) Settlement Disruption

If the Issuer determines that delivery of any Share Amount in respect of any Security by the Issuer in accordance with the Conditions is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Security shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Securityholder by mail addressed to it at the address specified in the relevant Delivery Notice or in accordance with the General Conditions provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable and lawful manner. No Securityholder shall be entitled to any payment whether of interest or otherwise on such Security in the event of any delay in the delivery of the Share Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount but not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Security is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each relevant Security by payment to the relevant Securityholder of the Disruption Cash Settlement Price on the third Currency Business Day following the date that notice of such election is given to the Securityholders in accordance with the General Conditions. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with the General Conditions.

The Issuer shall give notice as soon as practicable to the Securityholders in accordance with the General Conditions that a Settlement Disruption Event has occurred.

5 Calculations and Determinations

Any calculations and determinations made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner.

Where a Level is to be determined with regard to the Valuation Time, such Level shall be the Level as of the Valuation Time. Where a Level is to be determined without regard to the Valuation Time, such Level shall be the Level at any time (and, if more than one Underlying Asset, not necessary at the same time) on the relevant day.

TAXATION

*The following is a summary of the withholding tax position (and, in the case of Switzerland, other tax issues) in respect of payments of the income from the Securities by the relevant Issuer (or an agent appointed by it) in accordance with the terms and conditions of such Securities (“**Relevant Payments**”). It is limited to the country of incorporation of the relevant Issuer and those countries in which admission to trading may be sought or offers for which a prospectus is required under the Prospectus Directive may be made pursuant to this Prospectus (“**Relevant Taxing Jurisdictions**”).*

It does not relate to any other tax consequences or to withholdings in respect of payments by other persons (such as custodians, depositaries or other intermediaries) unless otherwise specified. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

All payments in respect of the Securities by the relevant Issuer or by an agent appointed by such Issuer will be subject to any applicable withholding taxes. However, as at the date hereof, no such taxes would be applicable in respect of any Relevant Payments in any Relevant Taxing Jurisdiction, except as specified below in relation to the countries so specified.

For the purposes of this Taxation Section, the disclosure replicates the taxation disclosure in the Principal Base Prospectus (pages 202 to 227 inclusive).

UNITED STATES

Taxation for Non-U.S. Investors

HIRE ACT/FATCA TAX DISCLOSURE FOR STRUCTURED NOTES ISSUED OUTSIDE THE US CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Legislation Affecting Dividend Equivalent Payments

The United States Hiring Incentives to Restore Employment Act (the “**Act**”) treats a “dividend equivalent” payment as a dividend from sources within the United States. Under the Act, unless reduced by an applicable tax treaty with the United States, such payments generally would be subject to U.S. withholding tax. A “dividend equivalent” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in the preceding clauses (i) and (ii). In the case of payments made after 18 March 2012, a dividend equivalent payment includes a payment made pursuant to any notional principal contract unless otherwise exempted by the IRS. Where the securities reference an interest in a fixed basket of securities or an index, such fixed basket or index will be treated as a single security. Where the securities reference

an interest in a basket of securities or an index that may provide for the payment of dividends from sources within the United States, absent guidance from the IRS, it is uncertain whether the IRS would determine that payments under the securities are substantially similar to a dividend. If the IRS determines that a payment is substantially similar to a dividend, it may be subject to U.S. withholding tax, unless reduced by an applicable tax treaty.

Legislation Affecting Securities Held Through Foreign Accounts

Under the Act, 30 per cent. withholding tax is imposed on “withholdable payments” made to foreign financial institutions (and their more than 50 per cent. affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution’s affiliates) and to annually report certain information about such account. “Withholdable payments” include payments of interest (including original issue discount), dividends, and other items of fixed or determinable annual or periodical gains, profits, and income “**FDAP**”), in each case, from sources within the United States, as well as gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States. The Act also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial United States owners) to withholding tax at a rate of 30 per cent. We will treat payments on the securities as withholdable payments for these purposes.

Withholding under the Act will apply to all withholdable payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a United States owned foreign entity and the identity of any substantial United States owners of such entity. Generally, the Act’s withholding and reporting regime will apply to payments made after 31 December 2012. Thus, if an investor holds the securities through a foreign financial institution or foreign corporation or trust, a portion of the payments made after 31 December 2012 may be subject to 30 per cent. withholding.

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.

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.

SWITZERLAND

The following statements and discussions of certain Swiss tax considerations relevant to the purchase, ownership and disposition of Securities apply to Securities issued by CS only, are of a general nature only and do not address every potential tax consequence of an investment in Securities under Swiss law. This summary is based on treaties, laws, regulations, rulings and decisions currently in effect, all of which are subject to change. It does not address the tax consequences of the Securities in any jurisdiction other than Switzerland. Potential investors will therefore need to consult their own tax advisers to determine the special tax consequences of the receipt, ownership and sale or other disposition of a Security.

Tax treatment depends on the individual tax situation of each investor and may be subject to change.

The Securityholders shall assume and be responsible to the proper governmental or regulatory authority for any and all taxes of any jurisdiction or governmental or regulatory authority, including without limitation, any state or local taxes, transfer taxes or fees, occupation taxes or other like assessments or charges that may be applicable to any payment delivered to them by the Issuer hereunder or applicable to the transactions covered hereby. The Issuer shall have the right, but not the duty, to withhold from any amounts otherwise payable to a Securityholder such amount as is necessary for the payment of any such taxes, fees, assessments or charges.

Swiss Withholding Tax

According to current Swiss tax law and the present practice of the Swiss Federal Tax Administration, payments in respect of the Securities and repayment of principal of the Securities by the Issuer acting through one of its Branches outside of Switzerland should not be subject to Swiss withholding tax provided that the Issuer uses the proceeds outside of Switzerland.

Swiss Value Added Tax (“VAT”)

The issue, transfer, exercise or redemption of Securities relating to securities or any income derived therefrom will normally not be subject to Swiss VAT. However, any respective input VAT will correspondingly not be recoverable.

Issue Stamp Tax and Securities Transfer Stamp Tax

According to current Swiss tax law and the present practice of the Swiss Federal Tax Administration, neither the issue of Securities, provided that the Issuer acting through a Branch outside of Switzerland uses the proceeds outside of Switzerland, nor the transfer of Securities is normally subject to Issue Stamp Tax and Securities Transfer Stamp Tax. If the Issuer acting through a Branch outside of Switzerland uses the proceeds inside Switzerland the issuance (primary market) of the Securities could be subject to issuance stamp tax. Exceptions to these rules apply with regard to the Securities Transfer Stamp Tax to Securities which, due to specific features, are considered financing instruments, share-like or fund-like products for purposes of Swiss tax law. In this case, a Securities Transfer Stamp Tax of up to 0.3 per cent. of the consideration could be due on secondary market transactions in Securities, if a Swiss securities dealer (“*Effekthändler*”), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp

Duties (“*Stempelabgabengesetz*”), is a party to the transaction or acts as an intermediary thereto. This applies likewise for primary market transaction of fund-like instruments.

If, upon the exercise or redemption of a Security, an underlying security is delivered to the holder of the Security, the transfer of the underlying security may be subject to Swiss Securities Transfer Tax of up to 0.15 per cent. in the case of an underlying security which has been issued by a Swiss resident issuer and of up to 0.3 per cent. in the case of an underlying security which has been issued by a non Swiss issuer, provided in both cases that a Swiss securities dealer is a party to the transaction or acts as an intermediary thereto. Certain exemptions may, *inter alia*, apply with regard to institutional investors such as mutual funds, non-Swiss life insurance companies and social security institutions.

Income Taxation of Non-Swiss tax resident Investors

Under present Swiss tax law, payments of interest on the Securities and repayment of principal of the Securities to a holder who is a non-resident of Switzerland and who, during the taxation year has not engaged in a trade or business through a permanent establishment within Switzerland and who is not subject to income taxation in Switzerland for any other reason will not be liable to Swiss federal, cantonal or communal income taxation. Such an investor that is not a tax resident in Switzerland, will also not be liable to Swiss federal, cantonal or communal income taxation on gains realised during the taxation year on the sale or redemption of a Security.

Income Taxation of Securities Held by Swiss tax resident Individuals as Part of Private Property

Gains or losses realised upon a sale or other disposition by individuals holding a Security as part of their private property (private capital gain) are as a rule not subject to income taxation or are not deductible from taxable income respectively. This applies likewise to option premium received or paid by the holder of a Security that is treated for Swiss tax purposes as a transparent structured product consisting of part debt and part option.

Capital gains may, however, be subject to income taxation if a Security or a distinguishable part thereof qualifies as a bond where the predominant part of the annual yield on which is paid in the form of a one-time payment (*überwiegende Einmalverzinsung*). Losses arising from such bonds may be deducted from gains recognised from similar instruments during the same tax period.

Income derived from a Security, which is neither a private capital gain, as set out above nor a repayment of paid in capital (or face value in the case of share-like instruments) nor an option premium is as a rule subject to tax. This applies, *inter alia*, to any issuance discount, repayment premium, other guaranteed payments (except repayment of capital or option premium) or any combination thereof. Payments or credits received by a holder because of dividends, interest etc. of the underlying may be subject to income tax for such holder. This may apply likewise to payments or credits derived from underlying funds.

Income Taxation of Securities Held by Swiss tax resident Individuals or Entities as Part of Business Property

Income realised and losses justified by business reasons incurred on Securities as part of the business property of individuals (including deemed securities dealers due to frequent dealing, debt financing or similar criteria; so called “*Wertschriftenhändler*”) or entities resident in Switzerland are included in the taxable income or may be deducted from the taxable income, respectively, of such person or entity.

European Union Directive on the Taxation of Savings Income, Swiss Agreement

On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopted measures equivalent to those of the EU Savings Directive. On the basis of this Agreement, Switzerland introduced a withholding tax on

interest payments and other similar income paid in Switzerland by a paying agent to an individual resident in an EU Member State (“**EU Withholding Tax**”). The rate of withholding is 15 per cent. for the first three years from 1 July 2005, 20 per cent. for the next three years and 35 per cent. thereafter, with the option for such an individual to authorise the paying agent to disclose details of the payments to the tax authorities of the relevant Member State in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding in its country of residence, if any, provided that certain conditions are met.

UNITED KINGDOM

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.

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 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 exercise its power to obtain information where such amounts are paid or received before 5 April 2012. 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 the jurisdiction in which the Securityholder is resident for tax purposes.

BAHAMAS

Payments made by CS, acting through its Nassau Branch, will not be subject to any withholding tax on account of Bahamian taxes.

BELGIUM

The following is a summary of the principal Belgian tax considerations with respect to the holding of Securities obtained by a Belgian investor following this offer in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Securities. In some cases, different rules can be applicable.

This summary is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Base Prospectus, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

Unless otherwise stated herein, this summary does not describe the tax consequences for a holder of Securities that are redeemable in exchange for, or convertible into assets, of the exercise, settlement or redemption of such Securities or any tax consequences after the moment of exercise, settlement or redemption.

Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

Belgian tax regime regarding Notes and Certificates

Withholding tax and income tax treatment

Tax treatment of Belgian resident individuals

Individuals who are Belgian residents for tax purposes, i.e. individuals subject to the Belgian individual income tax (*Personenbelasting/Impôt des personnes physiques*) and who hold Notes or Certificates as a private investment, are in principle subject to the following tax treatment in Belgium with respect to Notes and Certificates. Other tax rules apply to Belgian resident individuals holding Notes and Certificates not as a private investment but in the framework of their professional activity.

The following amounts are treated as interest for Belgian withholding tax purposes: (i) periodic interest income, (ii) any amount paid by the relevant Issuer in excess of the issue price, and (iii) if the debt securities qualify as fixed income securities in the meaning of article 2, §1, 8° of the Belgian Income Tax Code, in case of a realisation of the debt securities prior to repurchase or redemption by the relevant Issuer, the income equal to the pro rata of accrued interest corresponding to the detention period (a debt security will be a fixed income security if there is a causal link between the amount of interest income and the detention period of the security, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the security during its lifetime).

Payments of interest on Notes and Certificates which qualify as interest (as defined above) and which are made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax (calculated on the interest received after deduction of any non-Belgian withholding taxes).

The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on Notes and Certificates in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

However, if the interest is paid outside of Belgium, i.e. without the intervention of a financial intermediary established in Belgium, the interest received on Notes and Certificates (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 15 per cent. plus communal surcharges. However, no such communal surcharges will be due with respect to interest on Notes and Certificates issued by CSI or by CS acting through its London branch.

Capital gains realised upon the sale of Notes and Certificates are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless and to the extent that the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Tax treatment of Belgian resident corporations

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) are in principle subject to the following tax treatment in Belgium with respect to Notes and Certificates.

Interest derived by Belgian corporate investors on the Notes and Certificates and capital gains realised on Notes and Certificates will be subject to Belgian corporate income tax at the ordinary rate of 33.99 per cent.. Capital losses are in principle tax-deductible.

Payments of interest (as defined in the section "Tax treatment of Belgian resident individuals") on Notes and Certificates made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, the interest can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Tax treatment of a Belgian Organisation for Financing Pensions

Belgian pension fund entities that have the form of an Organisation for Financing Pensions ("OFP") are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*). OFPs are subject to the following tax treatment in Belgium with respect to Notes and Certificates.

Interest derived from and capital gains realised on Notes and Certificates will not be subject to Belgian Corporate Income Tax in the hands of OFPs. Any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Tax treatment of other Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/Impôt des personnes morales*) are in principle subject to the following tax treatment in Belgium with respect to Notes and Certificates.

Payments of interest (as defined in the section "Tax treatment of Belgian resident individuals") on Notes and Certificates made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium, i.e. without the intervention of a financial intermediary in Belgium, the legal entity itself is liable for the payment of the Belgian 15 per cent. withholding tax.

Capital gains realised on the sale of Notes and Certificates are in principle tax exempt, unless and to the extent that the capital gain qualifies as interest (as defined in the section "Tax treatment of Belgian resident individuals"). Capital losses on Notes and Certificates are in principle not tax deductible.

Tax treatment of non-resident investors

The interest income on Notes and Certificates paid to a Belgian non-resident outside of Belgium, i.e. without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax.

Interest (as defined in the section “Tax treatment of Belgian resident individuals”) on Notes and Certificates paid through a Belgian intermediary will in principle be subject to a 15 per cent. Belgian withholding tax, unless the holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

Non-resident holders that have not allocated the Notes or the Certificates to business activities in Belgium can also obtain an exemption from Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock market company or a Belgian clearing or settlement institution and provided that the non-resident (i) is the owner or usufructory of the Notes or Certificates, (ii) has not allocated the Notes or Certificates to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii).

Non-resident holders using Notes or Certificates to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above).

Non-resident holders who do not allocate the Notes or the Certificates to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

Stock exchange tax and tax on repurchase transactions

A stock exchange tax will be levied on the purchase and sale in Belgium of Notes and Certificates on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is in principle 0.07 per cent., with a maximum amount of EUR 500 per transaction and per party. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary.

A tax on repurchase transactions (*taxe sur les reports*) at the rate of 0.085 per cent. subject to a maximum of EUR 500 per party and per transaction, will be due from each party to any such transaction entered into or settled in Belgium in which a professional intermediary for stock transactions acts for either party.

However, the tax on stock exchange transactions and the tax on repurchase transactions referred to above will not be payable by exempt persons acting for their own account, including non-residents (subject to certain formalities) and certain Belgian institutional investors, as defined in Articles 126-1.2 and 139 of the Code of various duties and taxes (*Code des droits et taxes divers*).

EU Savings Directive

Individuals not resident in Belgium

A Belgian paying agent within the meaning of the EU Savings Directive will exchange information with the country of tax residence of the beneficial owner regarding interest payments as defined by the EU Savings Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the Dependent and Associated Territories. Residual entities (in the meaning of the EU Savings Directive) are subject to a specific regime. The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment. The exchange of information cannot be avoided by the submission of an affidavit.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the EU Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of EUR 2.5.

Belgian tax regime regarding Warrants

Investors are in principle subject to the following tax treatment with respect to the Warrants. Other rules can be applicable in special situations, such as when the return on the underlying is fixed in advance, in which case the holders of the Warrants may be subject to the tax regime applicable to the Warrants.

This summary does not address the tax consequences after the moment of exercise, settlement or redemption of the Warrants.

Belgian withholding tax and income tax

Tax treatment of Belgian resident individuals

Individuals who are Belgian residents for tax purposes, i.e. individuals subject to the Belgian individual income tax (*Personenbelasting/Impôt des personnes physiques*) and who hold the Notes or Certificates as a private investment, are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Private individual investors are in principle not liable to income tax on gains realised on the disposal or settlement of Warrants held as a private investment. Losses are not tax deductible.

Other tax rules may be applicable with respect to Warrants that are held for professional purposes and transactions with Warrants falling outside the scope of the normal management of one's own private estate.

Tax treatment of Belgian resident corporations

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Belgian corporations will be subject to the Belgian corporate income tax of 33.99 per cent. on the gains realised on the disposal or cash settlement of the Warrants. Losses are in principle deductible.

However, in the event of a physical delivery of assets upon exercise of Warrants, Belgian corporations in principle have to record the assets received upon exercise at a value equal to the premium paid for the Warrants increased with the strike price of the Warrants.

Tax treatment of a Belgian Organisation for Financing Pensions

Belgian pension fund entities that have the form of an OFP are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*). OFPs are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Belgian OFPs are not liable for income tax on gains realised on the disposal or settlement of the Warrants.

Tax treatment of other Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/Impôt des personnes morales*) are in principle subject to the following tax treatment in Belgium with respect to Warrants.

Belgian legal entities are in principle not liable to income tax on gains realised on the disposal or settlement of the Warrants. Losses are not tax deductible.

Non-resident investors

Non-resident Warrant holders who do not allocate the Warrants to a professional activity in Belgium are not subject to Belgian income tax on gains realised on the disposal or settlement of the Warrants.

Non-residents who use the Warrants to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian residents.

Stock exchange tax and tax on repurchase transactions

A stock exchange tax will be levied on the purchase and sale in Belgium of the Warrants on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.17 per cent., with a maximum amount of EUR 500 per transaction and per party. A separate tax is due from each of the seller and the purchaser, both collected by the professional intermediary.

A tax on repurchase transactions (*taxe sur les reports*) at the rate of 0.085 per cent. subject to a maximum of EUR 500 per party and per transaction, will be due from each party to any such transaction entered into or settled in Belgium in which a professional intermediary for stock transactions acts for either party.

However, the tax on stock exchange transactions and the tax on repurchase transactions referred to above will not be payable by exempt persons acting for their own account, including non-residents (subject to certain formalities) and certain Belgian institutional investors, as defined in Articles 126-1.2 and 139 of the Code of various duties and taxes (*Code des droits et taxes divers*).

Tax on the physical delivery of bearer Securities

A tax of 0.6 per cent. is levied upon the physical delivery of bearer Securities pursuant to their acquisition on the secondary market through a professional intermediary. The same tax applies to the conversion of registered Securities into bearer Securities and to the physical delivery of bearer Securities pursuant to a withdrawal of these Securities from open custody.

The tax on the delivery of bearer Securities is due either on the sums payable by the purchaser, or on the sales value of the Securities as estimated by the custodian in the case of a withdrawal from open custody or by the person asking for the conversion of the Securities in case of conversion of a registered Securities in a bearer Securities. The tax is payable by the issuer, the professional intermediary or the custodian.

The physical delivery of bearer Securities to recognised Belgian professional intermediaries (such as credit institutions), acting for their own account, is exempt from the above tax.

Estate and gift tax

Individuals resident in Belgium

An estate tax is levied on the value of the Securities transferred as part of a Belgian resident's estate.

Gifts of Securities in Belgium are subject to gift tax, unless the gift is made by way of a purely physical delivery of bearer Securities or otherwise without written evidence of the gift being submitted to the Belgian Tax Administration. However, estate taxes on donated Securities are avoided only if a person can demonstrate that the gift occurred more than three years preceding the death of the grantor.

Individuals not resident in Belgium

There is no Belgian estate tax on the transfer of Securities on the death of a Belgian non-resident.

Gifts of Securities in Belgium are subject to gift tax, unless the gift is made by way of a purely physical delivery of bearer Securities or otherwise without written evidence of the gift being submitted to the Belgian Tax Administration.

FRANCE

Stamp duty

The purchase or sale of the Securities is not subject to stamp duty in France.

Income Tax and Withholding tax

Income paid or accrued on the Securities, to the extent such Securities are not issued through a French branch of the Issuer, is not subject to withholding tax in France.

However, prospective purchasers of Securities who are French resident for tax purposes or who would hold Securities through a permanent establishment or a fixed base in France should be aware that transactions involving the Securities, including any purchase or disposal of, or other dealings in the Securities and any transaction involved in the exercise and settlement of the Securities, may have French tax consequences.

The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals) and on the specific terms and conditions of the relevant Securities. Prospective purchasers of Securities should consult their own advisers about the tax implications of holding Securities and of any transactions involving Securities.

EU Savings Directive

The Directive was implemented into French law under Article 242 *ter* of the French tax code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

FINLAND

The following provisions are only relevant in respect of Securities which are to be held within the Euroclear Finland system.

There is no Finnish withholding tax (*lähdevero*) applicable on payments made by the relevant Issuer in respect of the Securities. Payment of the redemption gain (if any) or interest on the Securities through a Finnish paying agent to individuals resident in Finland may, however, be subject to an advance tax withheld (*ennakonpidätys*) by the Finnish paying agent at the rate of 28 per cent. Such advance tax withheld (*ennakonpidätys*) will be used for the payment of the individual's final taxes. Payment of redemption gain or payment upon the exercise (i.e. the realisation of the net value through cash settlement) of Securities classified as certificates or warrants should not be subject to any advance tax withholding to the extent that the gain or income so arising would qualify as a capital gain for individuals.

Payment of the redemption gain (if any) or interest on the Securities through a Finnish paying agent to corporate entities resident in Finland will not be subject to any Finnish advance or withholding taxes.

GERMANY

The following summary does not consider all aspects of income taxation in the Federal Republic of Germany (“**Germany**”) that may be relevant to a holder of the Securities in the light of the holder's particular circumstances and income tax situation. The summary applies to investors holding the Securities as private investment assets (except where explicitly stated otherwise) and is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on German tax laws and regulations, all as currently in effect (except where explicitly stated otherwise) and all subject to change at any time, possibly with retroactive effect. The tax treatment of the Securities will be different from the description below if the Securities fall within a special tax regime such as the taxation of investment funds which may, for example, be the case with respect to Fund-linked Securities, depending on the Final Terms. **Prospective holders should consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Securities, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Germany.**

German resident securities holders

Interest income

If the Securities are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Securities are taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax).

The flat tax is generally collected by way of withholding (see succeeding paragraph – Withholding tax on interest income) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Securities. If, however, no or not sufficient tax was withheld the investor will have to include the income received with respect to the Securities in its income tax return and the flat tax will then be raised by way of tax assessment. The investor may also opt for tax assessment of its investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of an available loss carry forward or a foreign tax credit). If the investor's total income tax liability on all taxable income including the investment income determined by generally applicable graduated income tax rates is lower than 25 per cent., the investor may opt to be taxed at graduated rates with respect to its investment income.

If EU Withholding Tax was withheld on interest paid to German investors according to the EU Savings Directive (as defined above under the header European Union Directive on the Taxation of Savings

Income, Swiss Agreement) the German investor will generally be entitled to a credit or a refund of the tax withheld against its German income tax liability.

Individual investors are entitled to a tax allowance (*Sparer-Pauschbetrag*) for investment income of EUR 801 per year (Euro 1,602 for married couples filing their tax return jointly). The tax allowance is taken into account for purposes of the withholding tax (see succeeding paragraph – *Withholding tax on interest income*) provided that the investor files a withholding tax exemption request (*Freistellungsauftrag*) with the respective bank or financial institution where the securities deposit account to which the Securities are allocated is held. The deduction of related expenses for tax purposes is not possible.

If the Securities are held as business assets (*Betriebsvermögen*) by an individual or corporate investor who is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income from the Securities is subject to personal income tax at graduated rates or corporate income tax (each plus solidarity surcharge thereon and for individuals, if applicable, church tax) and trade tax. The trade tax liability depends on the applicable trade tax factor of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. The interest income will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

The tax treatment of the Securities will be different from the description above if the Securities fall within a special tax regime such as the taxation of investment funds which may, for example, be the case with respect to Fund-linked Securities, depending on the Final Terms.

Withholding tax on interest income

If the Securities are kept with or administered by a German credit or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) in a domestic securities deposit account (altogether the "**Domestic Disbursement Agent**") and that Domestic Disbursement Agent pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The withholding rate will be in excess of the aforementioned rate if church tax is collected for the individual investor.

Capital gains from disposal or redemption of the Securities

Subject to the tax allowance for investment income described under "Interest income" above capital gains from the disposal or redemption of the Securities held as private assets are taxed at the 25 per cent. flat tax (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax). The capital gain is generally determined as the difference between the proceeds from the disposal or redemption of the Securities and the acquisition costs. In case of physical delivery of Securities upon redemption or disposal the fair market value of the Securities delivered will be taken into account in determining the amount of proceeds received from the disposal or redemption subject to the rollover provisions described below.

Expenses directly related to the disposal or redemption are taken into account in computing the capital gain. Otherwise, the deduction of related expenses for tax purposes is not possible.

Where the Securities are denominated in a currency other than Euro, the acquisition costs and the proceeds from the disposal or redemption are computed in Euro, each at the time of the acquisition, disposal or redemption, respectively.

Capital losses from the disposal or redemption of the Securities held as private assets are generally tax-recognised irrespective of the holding period of the Securities. However, in case where no payments are made to the investors on the maturity or redemption date (e.g., because of a knock-out) the capital loss will not be recognised by the tax authorities. The losses may not be used to offset other income like employment or business income but may only be offset against investment income. Losses not utilised in one year may be carried forward into subsequent years.

In case of Securities where the issuer is entitled to physical delivery of securities (*Wertpapiere*) instead of cash payment the delivery of the Securities may depending on the final terms of the Securities not constitute a taxable event with respect to any capital gains or losses built into the Securities (rollover relief). If the physical delivery qualifies for the tax neutral rollover relief the acquisition costs the investor has in the Securities will generally be rolled over into acquisition costs of the Securities delivered. Any capital gains or losses would be taxable upon the disposal or redemption of the Securities. The rollover relief does not apply to the physical delivery of commodities (e.g., gold).

The flat tax is generally collected by way of withholding (see succeeding paragraph – “Withholding tax on capital gains”) and the tax withheld shall generally satisfy the individual investor’s tax liability with respect to the Securities. With respect to situations where the filing of a tax return is possible or required investors are referred to the description under *Interest income* above.

If the Securities are held as business assets (*Betriebsvermögen*) by an individual or corporate investor that is tax resident in Germany, capital gains from the Securities are subject to personal income tax at graduated rates or corporate income tax (plus solidarity surcharge thereon and for individuals, if applicable, church tax) and trade tax. The trade tax liability depends on the applicable trade tax factor of the relevant municipality where the business is located. In case of an individual investor the trade tax may, however, be partially or fully creditable against the investor’s personal income tax liability depending on the applicable trade tax factor and the investor’s particular circumstances. The capital gains or losses will have to be included in the investor’s personal or corporate income tax return. It cannot be excluded that certain Securities, in particular those with a derivative component, may be classified as forward transaction (*Termingeschäft*) for tax purposes. In this case the losses from the Securities could only be offset against gains from other forward transactions (ring-fencing of losses). Any German withholding tax (including surcharges) is generally fully creditable against the investor’s personal or corporate income tax liability or refundable, as the case may be.

Warrants

The tax treatment stipulated above under “Capital gains from disposal or redemption of the Securities” generally also applies to warrants subject to the special considerations set forth in the following paragraph for warrants held as private assets.

Upon exercise of the warrant the difference between the cash settlement amount received by the investor and the acquisition costs of the warrant (warrant premium) constitutes the taxable gain subject to the flat tax. If the warrant is sold before maturity the difference between the proceeds received from the sale of the warrant and the warrant premium is also taxed as capital gain subject to the flat tax. If the warrant is physically settled the receipt of the underlying should not constitute a taxable event. The investor will acquire the underlying for the sum of the warrant premium and the strike price paid, if any. The subsequent sale or redemption of the underlying, as the case may be, would generally be taxable. In the view of the German tax authorities the investor will not be able to deduct the warrant premium if the warrant lapses without exercise. Special rules may apply to the purchase, sale or settlement of interest rate warrants or currency warrants.

Withholding tax on capital gains

If the Securities are kept with or administered by a Domestic Disbursement Agent at the time of their disposal or redemption a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, is levied on the capital gains, resulting in a total withholding tax charge of 26.375 per cent. If the Securities have been kept or administered by that Domestic Disbursement Agent from the time of their acquisition, the capital gains are generally determined as the difference between the proceeds from the disposal or redemption of the Securities and the acquisition costs. If the Securities were sold or redeemed after being transferred to another Domestic Disbursement Agent the 25 per cent. withholding tax (plus solidarity surcharge thereon) will be levied on 30 per cent. of the proceeds from the disposal or the redemption, as the case may be, unless the investor provides evidence of the investor's actual acquisition costs to the Domestic Disbursement Agent. Such evidence is only permissible if the foreign bank is resident within the EU, European Economic Area ("EEA") or a contracting state of the EU Savings Directive (as defined above).

The applicable withholding rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

Non-resident Securityholders

Income derived from the Securities by holders who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, provided however (i) the Securities are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, or (ii) the income derived from the Securities does not otherwise constitute German source income. If the income derived from the Securities is subject to German taxation, the income is subject to withholding tax similar to that described above under the paragraphs "Withholding tax on interest income". Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Inheritance tax/gift tax

The transfer of Securities to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), had its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Securities belong to a business asset attributable to a permanent establishment or a permanent representative in Germany,

Special regulations apply to certain German expatriates.

Other taxes

The purchase, sale or other disposal of Securities does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Securities which would otherwise be tax exempt. The acquisition and disposal of Securities that give investors a proprietary interest in commodities or other underlying assets or constitute a claim for physical delivery and the actual physical delivery of these commodities or assets could give rise to value added tax. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

Implementation of EU Savings Directive in Germany

Under the EU Savings Directive and from 1 July 2005, each EU Member State is required to provide the tax authorities of another Member State with details of payments of interest and other similar income paid by a person in one Member State to an individual resident in another Member State. Austria and Luxembourg must instead impose a withholding tax for a transitional period unless during such period they elect to participate in the information exchange. In Germany, provisions for implementing the EU Savings Tax Directive have been enacted by legislative regulations of the federal government (*Zinsinformationsverordnung*). These provisions apply as from 1 July 2005.

ITALY

The following provisions are only relevant in respect of Securities if the Final Terms specify that the Additional Provisions for Notes listed on Borsa Italiana S.p.A or the Additional Provisions for Certificates listed on Borsa Italiana S.p.A are applicable.

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

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities.

Italian Tax treatment of Notes

The following provisions are only relevant to Securities in respect of which the Final Terms specify that the applicable General Terms and Conditions are those of Notes.

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

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

Italian resident investors

Where an Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected (unless he has opted for the application of the “*risparmio gestito*” regime – see “Capital Gains Tax” below), (ii) a non-commercial partnership pursuant to Article 5 of the Italian Income Consolidated Code (TUIR), (iii) a non-commercial private or public entity/institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Securities, accrued during the relevant holding period, are subject to a withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 12.5 per cent. In the event that the Securityholders described

under (i) and (iii) above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Securityholder is not included in the above (i) to (iv) and is a company or similar commercial entity pursuant to article 73 of TUIR or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected and the Securities are deposited with an authorised intermediary, interest, premium and other income from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**", levied at the rate of 27.5 per cent.) and, in certain circumstances, depending on the tax "*status*" of the Securityholder, also to regional tax on productive activities ("**IRAP**", generally levied at the rate of 3.9 per cent, even though regional surcharges may apply for a maximal amount of 0.92 per cent.).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax.

If an investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the Securities are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Securities will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund or SICAV accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a 12.5 per cent. rate. From 1 July 2011, the *imposta sostitutiva* of 12.5 per cent. applicable to the management results of the Italian resident Fund or SICAV will be abolished; a withholding of 12.5 per cent. will be applicable to proceeds distributed by the Fund or SICAV or proceeds received by some categories of investors following redemption and assignment of the units.

Where an Italian resident Securityholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Securities are deposited with an authorised intermediary, interest, premium and other income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax.

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

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must (i) be (a) resident in Italy or (b) resident outside Italy, with a permanent establishment in Italy or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Securityholder. If interest and other proceeds on the Securities are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (i) to (iv) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 12.5 per cent.

Non-Italian Resident Securityholders

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

Capital Gains Tax

Under Article 67 of Presidential Decree No.917 of 22 December 1986 (the “**TUIR**”) and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, (the “**Decree 1997**”), if the Italian resident investor is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership pursuant to Article 5 of the TUIR, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains arising from redemption and trading of the Securities are subject to *imposta sostitutiva*, levied at the rate of 12.5 per cent.

Any gain obtained from the sale, early redemption or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the tax “status” of the Securityholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Securities are effectively connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident Securityholder is an individual not holding the Securities in connection with an entrepreneurial activity, any capital gain realised by such Securityholder from the sale, early redemption or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 12.5 per cent. Under some conditions and limitations, Securityholders may set off losses with gains. This rule applies also to certain other entities holding the Securities.

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

- (i) Under the “tax declaration” regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual Securityholder holding Securities not in connection with an entrepreneurial activity pursuant to all sales, early redemption or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
- (ii) As an alternative to the tax declaration regime, Italian resident individual Securityholders holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale, early redemption or redemption of the Securities (the “*risparmio amministrato*” regime provided for by Article 6 of the Legislative Decree No. 461 of 21 November 1997, as a subsequently amended, the “**Decree No. 461**”). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Securityholder. The election will be effective during the relevant tax year and may be revoked by

the end of the calendar year and be effective for the following tax year. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale, early redemption or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale, early redemption or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in its annual tax return.

- (iii) Any capital gains realised or accrued by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have validly opted for the so-called "*risparmio gestito*" regime (regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in its annual tax return.

If the Italian investor is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but will contribute to determine the taxable income of the investor for the purposes of IRES pursuant to the provisions and within the limits described by the TUIR. Such assessment will depend, in particular, on the tax status of the investor and on the type of registration of the Securities on the balance sheet. Such revaluations and depreciation will contribute, furthermore, to the occurrence of certain conditions in relation to the tax status of the investor and to the taxable base of IRAP.

Any capital gains realised by a Securityholder which is a Fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.5 per cent. substitute tax. From 1 July 2011, the *imposta sostitutiva* of 12.5 per cent. applicable to the management results of the Fund or SICAV will be abolished; a withholding of 12.5 per cent. will be applicable to proceeds distributed by the Fund or SICAV or proceeds received by some categories of investors following redemption and assignment of the units.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Non-Italian Resident Securityholders

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

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Registration Tax

The transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Italian taxation of Certificates

The following provisions are only relevant to Securities in respect of which the Final Terms specify that the applicable General Terms and Conditions are those of Certificates.

Pursuant to Article 67 of the TUIR and the Decree 1997 where the Italian resident Certificateholder is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, pursuant to article 5 of the TUIR, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Certificates are subject to a 12.5 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for three different taxation criteria:

- (i) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Certificates are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Certificates not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Certificates carried out during any given tax year. Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains

together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

- (ii) As an alternative to the tax declaration regime, Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Certificates (the “*risparmio amministrato*” regime provided for by Article 6 of Decree 1997). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Certificateholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Certificates (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Certificateholder or using funds provided by the Certificateholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Certificates results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Certificateholder is not required to declare the capital gains in the annual tax return.
- (iii) Any capital gains realised or accrued by Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Certificates, to an authorised intermediary and have validly opted for the so-called “*risparmio gestito*” regime (regime provided for by Article 7 of the Decree 1997) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Certificateholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Certificateholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to *imposta sostitutiva*, but must be included in the relevant Certificateholder’s income tax return and are therefore subject to Italian corporate tax (and, in certain circumstances, depending on the “status” of the Certificateholder, also as a part of the net value of production for IRAP purposes).

Any capital gains realised by a Certificateholder which is an open-ended or closed-ended investment fund (subject to the tax regime provided for by Law No.77 of 23 March 1983) or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.5 per cent. substitute tax (the “**Collective Investment Fund Tax**”). As of 1 July 2011, the Collective Investment Fund Tax will be repealed and substituted by a substitute tax of 12.5 per cent. levied on proceeds distributed by the Fund or the SICAV or proceeds received by certain categories of unitholders upon redemption or disposal of the units.

Any capital gains realised by a Certificateholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Certificateholders are not subject to Italian taxation provided that the Certificates (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all relevant conditions are met.

Atypical securities

In accordance with a different interpretation of current tax law, it is possible that Certificates would be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to an Italian withholding tax, levied at the rate of 27 per cent.

The 27 per cent. withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of the Certificate and to an Italian resident holder of the Certificate which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Withholding is levied by the Italian intermediary appointed by the relevant Issuer, intervening in the collection of the relevant income or in the negotiation or repurchasing of the Certificates.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

Transfer Tax

Article 37 of Law Decree No 248 of 31 December 2007 (Decree No. 248), converted into Law No. 31 of 28 February 2008, published on the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of EUR 168, and (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are

resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

LUXEMBOURG

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Investors or so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Investors or so-called residual entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Securities.

Withholding Tax and Self-Applied Tax

Taxation of Luxembourg non-residents

Under the Luxembourg laws dated 21 June 2005 (the “**Laws**”) implementing the EU Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“**EU**”), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the exchange of information or the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, which are not UCITS recognised in accordance with the European Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and which have not opted to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC).

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Taxation of Luxembourg residents

In accordance with the law of 23 December 2005 (the “**Law**”), as amended by the law of 17 July 2008, on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents (defined in the same way as in the EU Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

Pursuant to the Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the EU Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the EU Savings Directive.

Income Taxation on Principal, Interest, Gains on Sales or Redemption

Luxembourg tax residence of the Investors

Investors will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Securities.

Taxation of Luxembourg non-residents

Investors who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Securities is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Securities or capital gains realised upon disposal or repayment of the Securities.

Taxation of Luxembourg residents

Investors who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, subject to withholding tax or to the self-applied tax (see above "Withholding Tax and Self-Applied Tax - Taxation of Luxembourg residents"). This withholding tax or self-applied tax represents the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the course of their private wealth. Individual Luxembourg resident Investors receiving the interest as business income must include this interest in their taxable basis. If applicable, the 10 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual Investors are not subject to taxation on capital gains upon the disposal of the Securities, unless the disposal of the Securities precedes the acquisition of the Securities or the Securities are disposed of within six months of the date of acquisition of these Securities. Upon the sale, redemption or exchange of the Securities, accrued but unpaid interest will be subject to the 10 per cent. withholding tax, if applicable. Individual Luxembourg resident Investors receiving the interest as business income must also include the portion of the price corresponding to this interest in their taxable income. The 10 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate Investors, or Investors who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Securities is connected, must for income tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the Securities sold or redeemed.

Luxembourg resident corporate Investors which are companies benefiting from a special tax regime (such as family wealth management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010 or specialised investment funds subject to the law of 13 February 2007) are tax exempt entities in Luxembourg, and are thus not subject to any

Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

Net Wealth tax

Luxembourg net wealth tax will not be levied on a corporate Noteholder, unless (a) such Noteholder is a Luxembourg resident other than a Noteholder governed by (i) the laws of 17 December 2010 and 13 February 2007 on undertakings for collective investment; (ii) the law of 22 March 2004 on securitisation; (iii) the law of 15 June 2004 on the investment company in risk capital; or (iv) the law of 11 May 2007 on family estate management companies, or (b) the Securities are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

Other taxes

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Investors in connection with the issue of the Securities, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Securities, unless the documents relating to the Securities are voluntarily registered in Luxembourg. There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Securities or in respect of the payment of interest or principal under the Securities or the transfer of the Securities. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Investors not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Securities. No Luxembourg gift tax is levied upon a gift or donation of the Securities, if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

NETHERLANDS

Scope

Regardless of whether or not a holder of Securities is, or is treated as being, a resident of the Netherlands, this summary does not address the Dutch tax consequences for such a holder:

- (i) having a substantial interest (*aanmerkelijk belang*) in the Issuer (such a substantial interest is generally present if an equity stake of at least 5 per cent., or a right to acquire such a stake, is held, in each case by reference to the Issuer's total issued share capital, or the issued capital of a certain class of shares);
- (ii) who is a private individual and may be taxed in box 1 for the purposes of Dutch income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Securities are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Securities;
- (iii) which is a corporate entity and a taxpayer for the purposes of Dutch corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer (such a participation is generally present in the case of an interest of at least 5 per cent. of the Issuer's nominal paid-in capital);

- (iv) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Dutch corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes; or
- (v) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Securities and/or the benefits derived from the Securities.

Income tax

Resident holders

A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Dutch income tax, must record Securities as assets that are held in box 3. Taxable income with regard to the Securities is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4 per cent. of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Securities, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Securities will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30 per cent.

Non-resident holders

A holder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Dutch income tax, will not be subject to such tax in respect of benefits derived from the Securities.

Corporate income tax

Resident holders or holders having a Dutch permanent establishment

A holder which is a corporate entity and for the purposes of Dutch corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands, is taxed in respect of benefits derived from the Securities at rates of up to 25 per cent.

Non-resident holders

A holder which is a corporate entity and for the purposes of Dutch corporate income tax neither a resident, nor treated as being a resident, of the Netherlands, having no permanent establishment in the Netherlands (and is not treated as having such a permanent establishment), will not be subject to such tax in respect of benefits derived from the Securities.

PORTUGAL

This section summarises the Portuguese tax rules applicable to the acquisition, ownership and disposal of the Securities, in force as at the date of this Prospectus. This section does not analyse the tax implications that may indirectly arise from the decision to invest in the Securities, such as those relating to the tax framework of financing obtained to support such investment or those pertaining to the counterparties of the potential investors, regarding any transaction involving the Securities.

This section is a general summary of the relevant features of the Portuguese tax system. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular investor, including tax considerations that arise from rules of general application or that

are generally assumed to be known to investors. It also does not contain in-depth information about all special and exceptional regimes, which may entail tax consequences at variance with those described herewith.

The tax treatment of each type of potential investor described in each sub-section applies exclusively to that type of potential investor. No analogy regarding the tax implications applicable to other type of potential investors should be drawn. Potential investors should seek individual advice about the implications of the acquisition, ownership and disposal of Securities, in light of their specific circumstances.

This section does not include any reference to the tax framework applicable in countries other than Portugal. The rules of a Convention to prevent Double Taxation ("Convention") may have a bearing on Portuguese tax implications. Furthermore, the domestic provisions of other countries may exacerbate or alleviate such implications.

The meaning of the terminology adopted in respect of every technical feature, including the qualification of the securities issued as "bonds", the classification of taxable events, the arrangements for taxation and potential tax benefits, among others, is the one in force in Portugal as at the date of this Prospectus. No other interpretations or meanings, potentially employed in other countries, are considered.

The tax framework described in this section is subject to any changes in law and practices (and the interpretation and application thereof) at any moment. Although according to the Portuguese Constitution legislative amendments which increase taxation cannot have retroactive or retrospective effect, there is no general prohibition of amendments with such effect.

Ordinarily resident individuals

Investment income

Economic benefits derived from interest, amortisation, reimbursement premiums and other instances of remuneration arising from the Securities (including, upon a transfer of the Securities, the interest accrued since the last date on which interest was paid), are classified as "investment income" for Portuguese tax purposes.

There is no Portuguese withholding tax applicable on investment income paid by the Issuer in respect of the Securities, unless such payments are made by a Portuguese paying agent, acting on behalf of, or contractually obliged by, either the non-resident entity (bound to pay the income) or the Portuguese resident individual (i.e. the recipient), in which case Personal Income Tax (*Imposto sobre o Rendimento das Pessoas Singulares* – "IRS") will be withheld at a 21.5 per cent flat rate. This IRS withholding is final, unless the individual decides to aggregate the relevant income with the remaining elements of income and subject the global amount to IRS, at the rate resulting from the application of the relevant progressive tax brackets for the year in question, up to 46.5 per cent. In this case, the domestic withholding tax suffered will represent an advance payment on account of such final IRS liability and foreign withholding tax, if any, may be credited against such final IRS liability within certain limitations.

If no such paying agent exists, Portuguese resident individuals must declare the relevant income in their tax returns and either subject it to the final flat 21.5 per cent rate (unless if deriving such income in the capacity of an entrepreneur with organised accounts), or aggregate it with the remaining elements of income and subject the global amount to IRS, at the rate resulting from the application of the relevant progressive tax brackets for the year in question, up to 46.5 per cent. In this case, any foreign withholding tax may be credited against such final IRS liability within certain limitations.

Capital gains and losses

The annual positive balance between capital gains not excluded from taxation pursuant to the preceding paragraph and capital losses arising from the disposal of Securities (and other assets indicated in the law) for consideration, deducted of the costs necessary and effectively incurred in such disposal, is taxed at a special 20 per cent. IRS rate (with an exemption on the first EUR 500). Alternatively, the investors may opt for declaring such income in their tax returns, together with the remaining items of income derived. In that event, the capital gains shall be liable for tax at the rate resulting from the application of the relevant progressive tax brackets for the year in question, between 0 and 46.5 per cent. No Portuguese withholding tax is levied on capital gains.

Losses arising from disposals for consideration in favour of counterparties subject to a clearly more favourable tax regime in the country, territory or region where it is a tax resident, listed in the Ministerial Order no. 150/2004, of 13 February 2004, are disregarded for purposes of assessing the positive or negative balance referred to in the previous paragraph.

Where the Portuguese resident individual chooses to disclose the capital gains or losses in his or her tax return, any capital losses which were not offset against capital gains in the relevant tax period may be carried forward for two years and offset future capital gains.

Gratuitous acquisition of Securities

The gratuitous acquisition (on death or in life) of the Securities by Portuguese tax resident individuals is not liable for Stamp Tax (otherwise due at a 10 per cent. rate) provided the relevant Issuer is not a Portuguese tax-resident entity. Spouses, ancestors and descendants would nonetheless avail of an exemption from Stamp Tax on such acquisitions.

Non-habitual resident individuals

Non-habitual resident individuals in Portugal may be exempt from IRS on both investment income arising from the Securities or capital gains derived from their disposal, disregarding whether a paying agent exists or not, provided that they may be taxed in the other State under the rules of a tax treaty entered into by Portugal or, if no tax treaty exists, that (i) it may be taxed in the other State according to the rules of the OECD Model Tax Convention on Income and on Capital, as interpreted according to the Portuguese reservations on its articles and observations on its commentary; (ii) it is not considered to derive from a Portuguese source under the IRS Code territoriality rules; and (iii) the relevant income does not arise in a State, region or territory included in the Portuguese tax havens black list. The non-habitual resident individual may however choose to declare such income in his or her tax return, together with the remaining items of income derived, and avail of a foreign tax credit.

Corporate entities

To the extent that the Issuer of the Securities is a non-Portuguese resident entity, no Portuguese withholding tax on account of the final Corporate Income Tax (*Imposto sobre o Rendimento das Pessoas Colectivas* – “**IRC**”) liability of Portuguese corporate investors will apply. Both investment income, capital gains and positive net variations in worth will be declared and taxed at an IRC rate of 25 per cent. (12.5 per cent. on the first EUR 12,500), plus a municipal surcharge of up to 1.5 per cent. and a State surcharge on taxable profits in excess of EUR 2 million of 2.5 per cent., totalling a maximum of up to 29 per cent.

SPAIN

Spanish resident individuals

Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas) (“PIT”)

Warrants

Following the criterion of the Spanish General Directorate of Taxes in several rulings (amongst others, rulings dated 27 August 2007, 4 August 2004, 14 October 2004, 8 July 2003 and 29 May 2001), income obtained by Spanish resident individuals under Warrants should be regarded as capital gains, in which case to withholdings on account of the PIT liability of the relevant Spanish holder of the Warrants will have to be deducted from capital gains obtained by Spanish resident individuals under the Warrants.

Certificates and Notes

Please note that income obtained by Spanish resident individuals under Certificates and Notes may be subject to withholding tax at 19 per cent. on account of the final PIT liability of the Spanish individual investor. The withholding tax regime will be as follows:

- (i) Interest paid to holders of Certificates and Notes who are Spanish resident individuals will be subject to Spanish withholding tax at 19 per cent. to be deducted by the depositary entity of the Certificates and Notes or the entity in charge of collecting the income derived thereunder, provided such entities are resident for tax purposes in Spain or have a permanent establishment in the Spanish territory.
- (ii) Income obtained upon transfer of the Certificates and Notes will be subject to Spanish withholding tax at 19 per cent. to be deducted by the financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.
- (iii) Income obtained upon redemption of the Certificates and Notes will be subject to Spanish withholding tax at 19 per cent. to be deducted by the financial entity appointed by the relevant Issuer (if any) for redemption of the Certificates and Notes, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory.

Spanish resident companies

Corporate Income Tax (Impuesto sobre Sociedades) (“CIT”)

Any income derived by Spanish companies under the Securities will be included in their CIT taxable income in accordance with applicable CIT legislation.

In case that the Securities would be listed on an OECD market, income obtained thereunder by Spanish resident corporates would be exempt from Spanish withholding taxes.

Should the Securities not be listed on an OECD market, income obtained by Spanish resident corporates thereunder will be subject to Spanish withholding taxes in similar terms than those described above in respect of Spanish resident individuals.

SWEDEN

The following provisions are only relevant in respect of Securities which are to be held within the Euroclear Sweden system.

There is no Swedish withholding tax (*källskatt*) applicable on payments made by the relevant Issuer in respect of the Securities. Sweden operates a system of preliminary tax (*preliminärskatt*) to secure payment of taxes. In the context of the Securities a preliminary tax of 30 per cent. will be deducted from all payments of interest in respect of the Securities made to any individuals or estates that are resident in Sweden for tax purposes. Depending on the relevant holder's overall tax liability for the relevant fiscal year the preliminary tax may contribute towards, equal or exceed the holder's overall tax liability with any balance subsequently to be paid by or to the relevant holder, as applicable.

SELLING RESTRICTIONS

The selling restrictions relating to the Securities are those set out in the section entitled "Selling Restrictions" in the Principal Base Prospectus (pages 230 to 233 inclusive).

FORM OF FINAL TERMS

Final Terms dated [●]

**[Credit Suisse International]/[Credit Suisse AG
acting through its [London]/[Nassau] Branch]**

**Zero Coupon [●]-linked [Non-]Principal Protected Securities due [●]
linked to [●] (the “Securities”)**

Series [●]

issued pursuant to the Principal Protected Securities and Non-Principal Protected Securities for Options
(Call Options and Put Options) Base Prospectus

as part of the **Structured Products Programme**

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Base Prospectus dated 24 August 2011 [as supplemented on [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. Copies of the Base Prospectus [and each supplemental Prospectus] may be obtained from the registered office of the Issuer and the offices of the Distributors and Agents specified herein.

These Final Terms comprise the final terms for the issue [and public offer in [●]] [and admission to trading on [specify regulated market]] of the Securities.]

[Include the next four paragraphs (which do not form part of the Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive) and delete the previous two paragraphs if the Final Terms are drafted for Securities that are not to be listed on an EEA regulated market and are not to be offered to the public in the EEA.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Base Prospectus dated 24 August 2011 [as supplemented on [●]]. This document constitutes the Final Terms of the Securities described herein. Copies of the Base Prospectus [and each supplemental Prospectus] may be obtained from the registered office of the Issuer and the offices of the Agents specified herein.

These Final Terms comprise the final terms for the issuance of the Securities. The documents stated to be “Documents Incorporated By Reference” in the Base Prospectus shall not be so incorporated for the purposes of the issue of the Securities.

Paragraphs [1, 2, 3, 4 and 5] of Page 2 of the Base Prospectus shall be deleted in their entirety.

These Final Terms do not constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). The Issuer is not offering the Securities in any

jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive. Nor is any person authorised to make such an offer of the Securities on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Securities on any stock exchange.]

The terms and conditions applicable to the Securities are (1) the General Terms and Conditions of [Notes/Certificates/Warrants] and the Asset Terms for [Equity-linked/Equity Index-linked/Commodity-linked/Commodity Index-linked/ETF-linked/Fund-linked/FX-linked/FX Index-linked/Inflation Index-linked/Interest Rate Index-linked/Cash Index-linked] Securities set out in the Base Prospectus dated 1 July 2011 relating to the Issuer's Structured Products Programme and (2) the Terms and Conditions set out in the Base Prospectus dated [24 August 2011/9 June 2011/23 August 2010] *[all Final Terms should refer to 24 August 2011 except if fungible with an issue off an old Base Prospectus (either dated 9 June 2011 or 23 August 2010)]* relating to Call Options and Put Options (which incorporates by reference the provisions referred to in (1) above), as completed by these Final Terms. References to such Base Prospectuses are to them as supplemented at the date of these Final Terms.

[For the avoidance of doubt the Terms and Conditions in the Base Prospectus dated [9 June 2011/23 August 2010] are incorporated by reference into the Base Prospectus dated 24 August 2011 and investors should read the Final Terms in conjunction with the Base Prospectus dated 24 August 2011.][*insert for fungible issues where the Terms and Conditions from the Base Prospectus dated 9 June 2011 or 23 August 2010 are used*]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote guidance for completing the Final Terms.]

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

- | | | |
|---|---|--|
| 1 | Issuer: | [Credit Suisse AG]/[Credit Suisse International] |
| 2 | [Branch:]
<i>(Delete if CSi is Issuer)</i> | [London/Nassau] Branch |
| 3 | Series Number: | [•] |
| 4 | Tranche Number: | [Not Applicable]/[•]
<i>(Should be "Not Applicable" unless fungible with an existing series)</i>
<i>(If fungible with an existing series, give details of that series, including the date on which the Securities become fungible)</i> |
| 5 | Applicable General Terms and Conditions: | [Notes/Warrants/Certificates]
<i>(N.B. In certain countries, Certificates should be documented using the "Notes" General Terms and Conditions)</i>

[General Condition 4 of the General Terms and Conditions of Notes shall also apply] <i>(Include if the Certificate or Warrant General Terms and Conditions apply and the Securities bear interest or premium)</i> |

6	Specified Currency or Currencies:	[•]/[euro (“EUR”)]
PROVISIONS RELATING TO NOTES AND CERTIFICATES		[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining paragraphs of this section)</i>
7	Aggregate Nominal Amount/Number of Securities:	[Up to] [•] <i>(N.B. if “Up to” then an Article 8 notice is required for the final amount/number)</i>
	(i) Series:	[1]/[•] <i>(Should be “1” unless fungible)</i>
	(ii) Tranche:	[Not Applicable]/[•] <i>(Should be “Not Applicable” unless fungible)</i>
8	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date]] <i>(in the case of fungible issues only, if applicable)</i> [•] per Security
9	Specified Denomination/Nominal Amount:	[•] <i>(For Securities issued by CS, amount must not be less than EUR 1,000 or equivalent in other currencies)</i>
10	Issue Date:	[•]/[•] Currency Business Days after [•] (expected to be [•])
11	Maturity Date/(Final) Redemption Date:	[•] Currency Business Days after the [[last] Final Observation Date]/[last Averaging Date]/[specify other] (expected to be [•]) <i>(specify the number and type of days by reference to which the Maturity Date is fixed)</i>
12	Interest Basis:	[Fixed Rate]/[Floating Rate]/[Zero Coupon]/[Not Applicable]
13	Premium Basis:	[Applicable (further particulars below)]/[Not Applicable]
14	Redemption/Payment Basis:	[Equity-linked] [Equity Index-linked] [Commodity-linked] [Commodity Index-linked] [ETF-linked] [Fund-linked] [FX-linked] [FX Index-linked] [Inflation Index-linked] [Interest Rate Index-linked] [Cash Index-linked]
PROVISIONS RELATING TO WARRANTS		[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining paragraphs of this section)</i>
15	Type of Warrants:	[Equity-linked]

		[Equity Index-linked]
		[Commodity-linked]
		[Commodity Index-linked]
		[ETF-linked]
		[Fund-linked]
		[FX-linked]
		[FX Index-linked]
		[Inflation Index-linked]
		[Interest Rate Index-linked]
		[Cash Index-linked]
16	Exercise Style:	[European Style]/[American Style]/[Bermudan Style]
17	Expiration Date/Exercise Date:	[•]
18	Minimum Exercise Number: <i>(Minimum number of Warrants which can be exercised at any time)</i>	[•] [, or integral multiples thereof] <i>(Only for American Style Warrants. This must not be more than the Transferable Number)</i>
19	Maximum Exercise Number: <i>(Maximum number of Warrants which can be exercised at any time, subject as otherwise specified in the Conditions)</i>	[•] <i>(Only for American Style Warrants)</i>
20	Number of Securities:	[Up to] [•] <i>(N.B. if "Up to" then an Article 8 notice is required for the final number)</i>
	(i) Series:	[1]/[•] <i>(Should be "1" unless fungible)</i>
	(ii) Tranche:	Not Applicable]/[•] <i>(Should be "Not Applicable" unless fungible)</i>
21	Issue Price:	[•] per Security
22	Nominal Amount: <i>(required for determination of Settlement Amount)</i>	[•] <i>(For Securities issued by CS, amount must not be less than EUR 1,000 or equivalent in other currencies)</i>
23	Issue Date:	[•]/[•] Currency Business Days after [•] (expected to be [•])
24	Settlement Date:	[•] Currency Business Days after the Expiration Date/relevant Exercise Date, provided that, if that day is not a Currency Business Day, it shall be the next Currency Business Day.
25	Put/Call Options:	[[Put/Call] (further particulars specified below)]/[Not Applicable] <i>[This line is applicable for all Securities]</i>

PROVISIONS RELATING TO INTEREST AND PREMIUM

26	Fixed Rate Provisions:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of</i>
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		<i>this paragraph</i>)
(i) Rate(s) of Interest:	[●] per cent. per annum	
(ii) Interest Commencement Date: (Specify if different from Issue Date)	[●]	
(iii) Interest Payment Date(s):	[[●] in each year]/[●]	<i>[NB: the General Conditions in the Principal Base Prospectus automatically adjusts all dates for payment purposes so adjustment wording should only be added here if dates will adjust for calculation purposes too]</i>
(iv) Fixed Interest Amount(s):	[[●] per Specified Denomination]/[[●] in Nominal Amount]	
(v) Broken Amount:	[Not Applicable]/[●] <i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Interest Amount(s) and the Interest Payment Date(s) to which they relate]</i>	
(vi) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360 (Unadjusted)]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]	
(vii) Determination Date(s):	[Not Applicable]	<i>[[●] in each year] (Insert regular interest period end dates, ignoring the maturity date in the case of a long or short last period. N.B. only relevant where Day Count Fraction is Actual/Actual - ICMA)</i>
(viii) Other terms relating to the method of calculating interest for Fixed Rate Securities:	[Not Applicable]/ <i>[give details]</i>	
27 Floating Rate Provisions:	[Applicable]/[Not Applicable]	<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Interest Commencement Date: (Specify if different from Issue Date)	[●]	
(ii) Interest Payment Date(s):	[[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention]	
(iii) Business Day Convention:	[Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/ <i>[other -give details]</i>	
(iv) Business Centre(s):	[●]	
(v) Interest Period Date(s):	[Each Interest Payment Date]/[●]	
(vi) ISDA Determination:		
– Floating Rate Option:	[●]	
– Designated Maturity:	[●]	

- Reset Date: [●]
- ISDA Definitions: (if different from those set out in the Conditions) [●]
- (vii) Margin(s): [[+/-] [●] per cent. per annum]/[Not Applicable]
- (viii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (ix) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (x) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360 (Unadjusted)]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
- (xi) Determination Date(s): [Not Applicable]
[[●] in each year] *(Insert regular interest period end dates, ignoring the maturity date in the case of a long or short last period. N.B. only relevant where Day Count Fraction is Actual/Actual - ICMA)*
- (xii) Rate Multiplier: [●]/[Not Applicable]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the Conditions: [●]/[Not Applicable]

28 Premium Provisions:

[Applicable]/[Not Applicable]

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

- (i) Rate(s) of Premium: [●] per cent. per annum
- (ii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (fixed)]/[Actual/360]/[30/360 (Unadjusted)]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/[30E/360 (ISDA)]/[Actual/Actual – ICMA]
- (iii) Determination Date(s): [Not Applicable]
[[●] in each year] *(Insert regular premium period end dates, ignoring the maturity date in the case of a long or short last period. N.B. only relevant where Day Count Fraction is Actual/Actual - ICMA)*
- (iv) Premium Commencement Date: [●]
(Specify if different from Issue Date)
- (v) Premium Amount(s): [[●] per Specified Denomination]/[[●] of the Nominal Amount]
- (vi) Premium Payment Date(s): [[●] in each year]/[Each Interest Payment Date]/[●]

PROVISIONS RELATING TO REDEMPTION

29	Redemption Amount or Settlement Amount:	[Principal Protected]/[Non-Principal Protected] <i>(The following sub-paragraphs should be completed or deleted as appropriate)</i>
	(i) Multi-Option Redemption:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	- Performance:	The [aggregate of all Option Return _N amounts]/[average of all Option Return _N amounts]/[the Option Return _N of the [best/worst] performing Option _N .] OP%: [Indicatively [●] per cent., or such higher percentage as the Issuer shall determined in its sole and absolute discretion on the Initial Setting Date by reference to the then prevailing market conditions, subject to a minimum of [●] per cent.]/[[●] per cent.] <i>(N.B. if indicative then an Article 8 notice is required for the final percentage)</i>
	- FX Adjusted:	[Not Applicable]/[Applicable. The Performance will be multiplied by the FX Return] <i>(If not applicable delete the following sub-paragraphs)</i>
	- Currency Rate:	The amount of [Underlying Currency/Settlement Currency] per 1.0 of [Underlying Currency/Settlement Currency]
	- FX Page:	[Bloomberg Page [●]]/[●]
	- FX Time:	[Valuation Time]/[●]
	- Initial FX Date:	[●]
	- Final FX Date:	[●]
	- Underlying Currency:	[●]/[the currency of the Underlying Asset]
	- Asset,Base:	[Asset,Initial]/[Asset,Initial Period Level]/[Not Applicable]
	- Asset,Initial:	[●]/[As determined in accordance with the Conditions, [with/without] regard to the Valuation Time].
	- Asset,Initial Period Level:	[●]/[As determined in accordance with the Conditions [using the [lowest/highest/average] Levels], [with/without] regard to the Valuation Time]. <i>[Only include "using the [lowest/highest/average] Levels" if more than one Initial Setting Date]</i>
	- Asset,Final:	As determined in accordance with the Conditions [using the [lowest/highest/average] Levels], [with/without] regard to the Valuation Time. <i>[Only include "using the [lowest/highest/average] Levels" if more than one Final Observation Date]</i>
	- Initial Setting Date(s):	(i) [●]/[●], [●] and [●] ("ISD-A") (ii) [●]/[●], [●] and [●] ("ISD-B") (ii) [●]/[●], [●] and [●] ("ISD-C") <i>(Delete or add further lines as required)</i>

- as specified for the relevant Option_N in the table below.
- Final Observation Date(s):
 - (i) [●]/[●], [●] and [●] (“FOD-A”)
 - (ii) [●]/[●], [●] and [●] (“FOD-B”)
 - (ii) [●]/[●], [●] and [●] (“FOD-C”)

(Delete or add further lines as required)

as specified for the relevant Option_N in the table below.
 - Option_N:

N	Strike _N	Participation _N	Floor _N	Type _N	Initial Setting Date(s) _N	Final Observation Date(s) _N
1	[●]%	[+/-] [●]%	[●]%	[Put/Call]	ISD-[●]	FOD-[●]
2	[●]%	[+/-] [●]%	[●]%	[Put/Call]	ISD-[●]	FOD-[●]
3	[●]%	[+/-] [●]%	[●]%	[Put/Call]	ISD-[●]	FOD-[●]

(Add further lines where necessary)
 - (ii) Single-Option Redemption: [Applicable]/[Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
 - FX Adjusted: [Not Applicable]/[Applicable. The Performance will be multiplied by the FX Return]

(If not applicable delete the following sub-paragraphs)
 - Currency Rate: The amount of [Underlying Currency/Settlement Currency] per 1.0 of [Underlying Currency/Settlement Currency]
 - FX Page: [Bloomberg Page [●]/[●]]
 - FX Time: [Valuation Time]/[●]
 - Initial FX Date: [●]
 - Final FX Date: [●]
 - Underlying Currency: [●]/[the currency of the Underlying Asset]
 - Asset_{Base}: [Asset_{Initial}]/[Asset_{Initial} Period Level]/[Not Applicable]
 - Asset_{Initial}: [●]/[As determined in accordance with the Conditions, [with/without] regard to the Valuation Time].
 - Asset_{Initial} Period Level: [●]/[As determined in accordance with the Conditions [using the [lowest/highest/average] Levels], [with/without] regard to the Valuation Time].

[Only include “using the [lowest/highest/average] Levels” if more than one Initial Setting Date]
 - Asset_{Final}: As determined in accordance with the Conditions [using the [lowest/highest/average] Levels], [with/without] regard to the Valuation Time.

[Only include “using the [lowest/highest/average] Levels” if more than one Final Observation Date]
 - Initial Setting Date(s): [●]/[●], [●] and [●]
 - Final Observation Date(s): [●]/[●], [●] and [●]

- Strike:	[●] per cent.
- Participation:	[+/-] [●] per cent.
- Floor:	[●] per cent.
- Type:	[Put/Call]
(iii) Averaged-Option Redemption:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
- FX Adjusted:	[Not Applicable]/[Applicable. The Performance will be multiplied by the FX Return] <i>(If not applicable delete the following sub-paragraphs)</i>
- Currency Rate:	The amount of [Underlying Currency/Settlement Currency] per 1.0 of [Underlying Currency/Settlement Currency]
- FX Page:	[Bloomberg Page [●] / [●]]
- FX Time:	[Valuation Time] / [●]
- Initial FX Date:	[●]
- Final FX Date:	[●]
- Underlying Currency:	[●] / [the currency of the Underlying Asset]
- Asset,Base:	[Asset,Initial] / [Asset,Initial Period Level] / [Not Applicable]
- Asset,Initial:	[●] / [As determined in accordance with the Conditions, [with/without] regard to the Valuation Time].
- Asset,Initial Period Level:	[●] / [As determined in accordance with the Conditions [using the [lowest/highest/average] Levels], [with/without] regard to the Valuation Time]. <i>[Only include "using the [lowest/highest/average] Levels" if more than one Initial Setting Date]</i>
- Asset,Current:	As determined in accordance with the Conditions, [with/without] regard to the Valuation Time.
- Initial Setting Date(s):	[●] / [●], [●] and [●]
- Averaging Dates:	[●], [●] and [●]
- Strike:	[●] per cent.
- Participation:	[+/-] [●] per cent.
- Floor:	[●] per cent.
- Type:	[Put/Call]
(iv) Redemption Amount Cap:	[[●] per cent.] / [Not Applicable]
(v) Redemption Amount Floor:	[[●] per cent.] / [Not Applicable]
(vi) FP%:	[[●] per cent.] / [Not Applicable] <i>(For Certificates FP% should be "Not Applicable" not 0 per cent.)</i>
(vii) PP%:	[●] per cent.
(viii) Return Features:	[In respect of Option _[●]]

[Each Underlying Asset Return is subject to:

- a maximum percentage of [●] per cent.;
- a minimum percentage of [●] per cent.]

[The [highest/lowest] [*specify number if more than one*] Underlying Asset Return[s] [[is/are] replaced with [●] per cent.]/[will be [reduced/increased] by [●] per cent.]

[If, on [●]/[any day during the period from, and including [●] to, and including [●]], the Level ([with/without] regard to the Valuation Time) of [one or more/each] Underlying Asset is [equal to] [or] [higher/lower than] [●] per cent. of [its/the relevant Underlying Asset's] [Asset,Initial/Asset,Initial Period Level], then the Underlying Asset Return of [that/each] Underlying Asset will be [equal to [●] per cent.]/[[reduced/increased] by [●] per cent.]

[If, on [●]/[any day during the period from, and including [●] to, and including [●]], the Level ([with/without] regard to the Valuation Time) of [one or more/each] Underlying Asset is [equal to] [or] [higher/lower than] [●] per cent. of [its/the relevant Underlying Asset's] [Asset,Initial/Asset,Initial Period Level], then the Underlying Performance will be equal to [●] per cent.]

[The Weighting of the Underlying Asset that performs [best/worst] on [●]/[any day during the period from, and including [●] to, and including [●]] (by comparing the Level ([with/without] regard to the Valuation Time) of each Underlying Asset during such time period with its [Asset,Initial/Asset,Initial Period Level]) shall be deemed to be 100 per cent. and the Weighting of all other Underlying Assets shall be deemed to be zero per cent.]

[The Underlying Performance is subject to a maximum percentage of [●] per cent.]

[Not Applicable]

[Repeat for each Option_N as required]

[Only applicable for Multi-Option Redemption, if required]

[Applicable]/[Not Applicable]

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

30 Trigger Redemption

(i) Trigger Event:

[The Level ([with/without] regard to the Valuation Time) of [the/any/each/the [Best/Worst] Performing] Underlying Asset in respect of any Trigger Barrier Observation Date is [at or] [above/below] the Trigger Barrier.]

[The average ([with/without] regard to the Valuation Time) of [all/the two [highest/lowest]] Levels of each of

the Underlying Assets in respect of any Trigger Barrier Observation Date is [at or] [above/below] the Trigger Barrier.]

- (ii) Trigger Barrier Redemption Date: [Any of [●], [●] and [●]]/[As specified in the table below]/[A date selected by the Issuer falling not later than 10 Currency Business Days after the occurrence of the Trigger Event.]
- (iii) Trigger Barrier Redemption Amount: [[●] per cent. of the Nominal Amount]/[A percentage of the Nominal Amount, as specified in the table below]
- (iv) Trigger Barrier: [[●] per cent.]/[As specified in the table below]
(Specify separately for each Underlying Asset)
- (v) Trigger Barrier Observation Date(s): [Any of [●], [●] and [●]]/[As specified in the table below]/[Any Currency Business Day in the [relevant] Trigger Barrier Observation Period]
- (vi) Trigger Barrier Observation Period: [From, and including, [●] to, and including, [●]]/[As specified in the table below]/[Not Applicable]

Trigger Barrier Observation Date _n	Trigger Barrier Observation Period _n	Trigger Barrier _n	Trigger Barrier Redemption Amount _n	Trigger Barrier Redemption Date _n
1. [●]	[●] to [●]	[●] per cent.	[●] per cent.	[●]
2. [●]	[●] to [●]	[●] per cent.	[●] per cent.	[●]
3. [●]	[●] to [●]	[●] per cent.	[●] per cent.	[●]

(Repeat as necessary)

(Delete the relevant columns as necessary)

- (vii) Strike Price: [●] (Specify separately for each Underlying Asset)
[The Level ([with/without] regard to the Valuation Time) of the [relevant] Underlying Asset on the Initial Setting Date.]
[The [lowest/highest/average (rounded down to two places of decimals)] of the Levels ([with/without] regard to the Valuation Time) of the [relevant] Underlying Asset on each of the Initial Averaging Dates.]
- (viii) Initial Averaging Dates: [[●], [●] and [●]]/[Not Applicable]

31 Physical Settlement Provisions:

[Applicable]/[Not Applicable]
[NB. If physical settlement applies, structure should be cleared with CS Tax dept]
[NB. physical settlement should not be applicable for Warrants]
[NB. Physical settlement is only possible with third party shares admitted on an EU regulated market]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Physical Settlement Trigger: [Applicable]/[Not Applicable]
- Physical Settlement Trigger Event: [With/Without] regard to the Valuation Time, the Share

		Price of [the/any/each/the [Best/Worst] Performing] Underlying Asset is [at or] below the Physical Settlement Trigger Event Barrier.
	Physical Settlement Trigger Event Barrier:	[●] per cent.
	Physical Settlement Trigger Observation Date:	[●]
(ii)	Physical Settlement Option:	[Applicable]/[Not Applicable]
	Physical Settlement Option Notice Period:	[●] Banking Days prior to the [Maturity Date/Settlement Date]
	Presentation Date Notice Period:	[●] Banking Days prior to the Presentation Date
	Ratio:	[[●] (<i>Specify separately for each Share</i>)]/[Nominal Amount x [Spot Rate/Strike Price]]/[Not Applicable]
	[Underlying Asset to be Delivered:]	[[Best/Worst] Performing Underlying Asset] (<i>Include if more than one Underlying Asset</i>)
(iii)	Final Price:	The Share Price ([with/without] regard to the Valuation Time) of the Underlying Asset on the [last] Final Observation Date.
(iv)	Strike Price:	The Share Price ([with/without] regard to the Valuation Time) of the Underlying Asset on the [last] Initial Setting Date.
32	Put Option: <i>(Not applicable to Warrants)</i>	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[[●] per cent. of the Nominal Amount] [together with any interest/premium accrued to the date fixed for redemption]
	(iii) Description of any other Securityholder's option:	[●]/[Not Applicable]
	(iv) Notice period (if other than as set out in the Conditions):	[As per the Conditions]/[Not less than [●] Business Days] (<i>Complete if Notice is other than the 15 Business Days provided in the Principal Base Prospectus</i>)
33	Call Option: <i>(Not applicable to Warrants)</i>	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[[●] per cent. of the Nominal Amount] [together with any interest accrued to the date fixed for redemption]
	(iii) If redeemable in part:	[●]
	(a) Minimum nominal amount to be redeemed:	[●]
	(b) Maximum nominal amount to be	[●]

redeemed:

- (iv) Description of any other Issuer's option: [●]/[Not Applicable]
- (v) Notice period (if other than as set out in the Conditions): [As per the Conditions]/[Not less than [●] Business Days] (*Complete if Notice is other than the 15 Business Days provided in the Principal Base Prospectus*)

34 Settlement Currency [The Specified Currency]/[●]
(*currency in which payment will be made*)

UNDERLYING ASSETS

35 List of Underlying Assets

i	Underlying Asset _i	Weighting _i	Composite _i
[●]	[●]	[●]	[Applicable]/[Not Applicable]
[●]	[●]	[●]	[Applicable]/[Not Applicable]

(*Add further lines where necessary*)

[If any Underlying Asset is a US share or index containing US shares, structure should be cleared by CS Tax Dept]

36 Equity-linked Securities [Applicable]/[Not Applicable]
(*If not applicable, delete the following sub-paragraphs of this paragraph*)

- Share Issuer: [●]
- Share: [●]
- ISIN: [●]
- Bloomberg Code: [●]
- Information Source: [●]
- Exchange: [●]
- Related Exchange: [●]/[All Exchanges]
- Jurisdictional Event: [Applicable]/[Not Applicable]
- Jurisdictional Event Jurisdiction(s): [●]/[Not Applicable]
- Extraordinary Dividend: [[●]/To be determined by the Issuer]
- Additional Disruption Events:
- Change in Law: [Applicable]/[Not Applicable]
 - Insolvency Filing: [Applicable]/[Not Applicable]
 - Hedging Disruption: [Applicable]/[Not Applicable]
 - Increased Cost of Hedging: [Applicable]/[Not Applicable]
- (*Default position for Change in Law/Insolvency Filing/Hedging Disruption/Increased Cost of Hedging is Applicable*)
- Loss of Stock Borrow: [Applicable]/[Not Applicable]
- Maximum Stock Loan Rate: [●]/[Not Applicable]
 - Increased Cost of Stock Borrow: [Applicable]/[Not Applicable]
 - Initial Stock Loan Rate: [●]/[Not Applicable]

(Default position for Loss of Stock Borrow/Increased Cost of Stock Borrow is Not Applicable)

(Repeat as necessary where there are more Share Issuers)

37 Equity Index-linked Securities	[Applicable]/[Not Applicable]
	<i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
Index:	[●]
Bloomberg code:	[●]
Information Source:	[●]
Required Exchanges:	[As per the Asset Terms]/[●]/[Not Applicable]
Related Exchange:	[●]/[All Exchanges]
Disruption Threshold:	[20]/[[●] per cent.]
Jurisdictional Event:	[Applicable]/[Not Applicable]
Jurisdictional Event Jurisdiction(s):	[●]/[Not Applicable]
Additional Disruption Events:	
Change in Law:	[Applicable]/[Not Applicable]
Hedging Disruption:	[Applicable]/[Not Applicable]
Increased Cost of Hedging:	[Applicable]/[Not Applicable]
	<i>(Default position for Change in Law/Hedging Disruption/Increased Cost of Hedging is Applicable)</i>

(Repeat as necessary where there are more Equity Indices)

38 Commodity-linked Securities	[Applicable]/[Not Applicable]
	<i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
Commodity:	[●]
Bloomberg Code:	[●]
Information Source:	[●]
Jurisdictional Event:	[Applicable]/[Not Applicable]
Jurisdictional Event Jurisdiction(s):	[●]/[Not Applicable]
Commodity Reference Price:	[●]/[The Specified Price as published by the Price Source]/[Commodity Reference Dealers]
	Price Source: [●]
Exchange:	[●]
Futures Contract:	[●]
Delivery Date:	[●]/[[●] Nearby Month]/[Not Applicable]
Specified Price:	[(A) the high price; (B) the mid price; (C) the low price; (D) the average of the high price and the low price; (E) the closing price; (F) the opening price; (G) the bid price; (H) the asked price; (I) the average of the bid price and the asked price; (J) the settlement price; (K) the official settlement price; (L) the official price; (M) the morning fixing;

(N) the afternoon fixing; (O) the fixing; (P) the bid fixing; (Q) the mid fixing; (R) the asked fixing; (S) the spot price; or (T) [*Other – please specify*]

Market Disruption Event:	
Price Source Disruption:	[Applicable]/[Not Applicable]
[Price Materiality Percentage:	[[●] per cent.]/[Not Applicable]]
Trading Disruption:	[Applicable]/[Not Applicable]
Disappearance of Commodity Reference Price:	[Applicable]/[Not Applicable]
Material Change in Formula:	[Applicable]/[Not Applicable]
Material Change in Content:	[Applicable]/[Not Applicable]
Tax Disruption:	[Applicable]/[Not Applicable]
Additional Disruption Events:	
Change in Law:	[Applicable]/[Not Applicable]
Hedging Disruption:	[Applicable]/[Not Applicable]
Increased Cost of Hedging:	[Applicable]/[Not Applicable]
	<i>(Default position for Change in Law/Hedging Disruption/Increased Cost of Hedging is Applicable)</i>
Bullion Reference Dealers:	[●]/[The Calculation Agent]/[Not Applicable]
Reference Dealers:	[●]/[The Calculation Agent]/[Not Applicable]
	<i>(Repeat as necessary where there are more Commodities)</i>

39 Commodity Index-linked Securities [Applicable]/[Not Applicable]
(If not applicable, delete the following sub-paragraphs of this paragraph)

Commodity Index:	[●]
Bloomberg Code:	[●]
Information Source:	[●]
Jurisdictional Event:	[Applicable]/[Not Applicable]
Jurisdictional Event Jurisdiction(s):	[●]/[Not Applicable]
Market Disruption Event:	
Price Source Disruption:	[Applicable]/[Not Applicable]
Trading Disruption:	[Applicable]/[Not Applicable]
Disappearance of Commodity Reference Price:	[Applicable]/[Not Applicable]
Early Closure:	[Applicable]/[Not Applicable]
Material Change in Formula:	[Applicable]/[Not Applicable]
Material Change in Content:	[Applicable]/[Not Applicable]
Tax Disruption:	[Applicable]/[Not Applicable]
Additional Disruption Events:	
Change in Law:	[Applicable]/[Not Applicable]

	Hedging Disruption:	[Applicable]/[Not Applicable]
	Increased Cost of Hedging:	[Applicable]/[Not Applicable]
		<i>(Default position for Change in Law/Hedging Disruption/Increased Cost of Hedging is Applicable)</i>
	<i>(Repeat as necessary where there are more Commodity Indices)</i>	
40	ETF-linked Securities	[Applicable]/[Not Applicable]
		<i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
	ETF Share:	[●]
	Fund:	[●]
	Fund Adviser:	[●]/[Not Applicable]
	Fund Administrator:	[●]/[Not Applicable]
	Additional Fund Documents:	[●]/[Not Applicable]
	Exchange:	[●]
	Related Exchange:	[●]/[Not Applicable]
	Extraordinary Dividend:	[●]
	Reference Index:	[●]/[Not Applicable]
	Share Issuer:	[●]/[Not Applicable]
	Trade Date:	[●]/[Not Applicable]
	Jurisdictional Event:	[Applicable]/[Not Applicable]
	Jurisdictional Event Jurisdiction(s):	[●]/[Not Applicable]
	Additional Disruption Event:	
	Change in Law:	[Applicable]/[Not Applicable]
	Cross-contamination:	[Applicable]/[Not Applicable]
	Fund Insolvency Event:	[Applicable]/[Not Applicable]
		[Fund Insolvency Entity: [●]]
	Fund Modification:	[Applicable]/[Not Applicable]
	Hedging Disruption:	[Applicable]/[Not Applicable]
	Increased Cost of Hedging:	[Applicable]/[Not Applicable]
		<i>(Default position for Change in Law/Insolvency Filing/Hedging Disruption/Increased Cost of Hedging is Applicable)</i>
	Regulatory Action:	[Applicable]/[Not Applicable]
	Strategy Breach:	[Applicable]/[Not Applicable]
		<i>(Default position for Change in Law/Cross-Contamination/Fund Insolvency Event Fund Modification/Hedging Disruption/Increased Cost of Hedging/Regulatory Action/Strategy Breach is Applicable)</i>
	Loss of Stock Borrow:	[Applicable]/[Not Applicable]
	Maximum Stock Loan Rate:	[●]/[Not Applicable]

Increased Cost of Stock Borrow: [Applicable]/[Not Applicable]
 Initial Stock Loan Rate: [●]/[Not Applicable]
(Default position for Loss of Stock Borrow/Increased Cost of Stock Borrow is Not Applicable)

(Repeat as necessary where there are more ETF Shares)

41 Fund-linked Securities [Applicable]/[Not Applicable]
(If not applicable, delete the following sub-paragraphs of this paragraph)

Reference Fund: [As per the Asset Terms]/[●]

Fund Interest: [●]

Fund Interest Unit: [As per the Asset Terms]/[●]

Additional Fund Documents: [None]/[●]

Hypothetical Investor Jurisdiction: [England]/[●]

Redemption Fees: [●]

Additional Fund Service Provider: [●]

Fund Adviser: [As per the Asset Terms]/[●]

Fund Administrator: [As per the Asset Terms]/[●]

Fund Insolvency Entity: [None]/[●]

Key Persons: [None]/[●]

Jurisdictional Event: [Applicable]/[Not Applicable]

Jurisdictional Event Jurisdiction: [●]/[Not Applicable]

NAV Trigger Percentage: [●]

NAV Trigger Period: [●]

Additional Fund Disruption Event: [Applicable]/[Not Applicable]
 [●] *(Give details)*

Reinvestment of Dividends: [Applicable]/[Not Applicable]

Redemption Proceeds: [As per the Asset Terms]/[●]

(Repeat as necessary where there are more Funds)

42 FX-linked Securities [Applicable]/[Not Applicable]
(If not applicable, delete the following sub-paragraphs of this paragraph)

FX Rate: [●]/[Determined in accordance with Settlement Rate Option]

FX Page: [●]

Information Source: [●]

Jurisdictional Event: [Applicable]/[Not Applicable]

Jurisdictional Event Jurisdiction(s): [●]/[Not Applicable]

Event Currency: [●]

Non-Event Currency: [●]

Reference Currency:	[●]/[Settlement Currency]
Valuation Date:	[●]
Benchmark Obligation:	[Applicable]/[Not Applicable] [If applicable: Benchmark Obligations: Primary Obligor: [●] Type of Instrument: [●] Currency of Denomination: [●] Coupon: [●] Maturity Date: [●] BB Number: [●] Face Value: [●]]
Market Disruption Event:	
Benchmark Obligation Default:	[Applicable]/[Not Applicable]
Dual Exchange Rate:	[Applicable]/[Not Applicable]
General Inconvertibility:	[Applicable]/[Not Applicable]
General Non-Transferability:	[Applicable]/[Not Applicable]
Governmental Authority Default:	[Applicable]/[Not Applicable]
Illiquidity:	[Applicable]/[Not Applicable] [Minimum Amount: [●]] [Illiquidity Valuation Date: [●]]
Material Change in Circumstances:	[Applicable]/[Not Applicable]
Nationalisation:	[Applicable]/[Not Applicable] [If applicable: Relevant Affiliates: <i>[Specify]</i>]/[Not Applicable]]
Price Materiality:	[Applicable]/[Not Applicable] [If applicable: Primary Rate: [●]/Secondary Rate: [●]/Price Materiality Percentage: [●] per cent.] [Settlement Rate Option: [●]]
Price Source Disruption:	[Applicable]/[Not Applicable]
Specific Inconvertibility:	[Applicable]/[Not Applicable] [Minimum Amount: [●]]
Specific Non-Transferability:	[Applicable]/[Not Applicable]
Additional Disruption Events:	
Change in Law:	[Applicable]/[Not Applicable]
Hedging Disruption:	[Applicable]/[Not Applicable]
Increased Cost of Hedging:	[Applicable]/[Not Applicable] <i>(Default position for Change in Law/Hedging Disruption/Increased Cost of Hedging is Applicable)</i>

(Repeat as necessary where there are more FX Rates)

43 FX Index-linked Securities	[Applicable]/[Not Applicable] <i>(If not applicable, delete the following sub-paragraphs)</i>
--------------------------------------	--

	<i>of this paragraph)</i>
FX Index:	[●]
FX Rate:	[●]/[Determined in accordance with Settlement Rate Option]
FX Page:	[●]
Information Source:	[●]
Jurisdictional Event:	[Applicable]/[Not Applicable]
Jurisdictional Event Jurisdiction(s):	[●]/[Not Applicable]
Event Currency:	[●]
Non-Event Currency:	[●]
Reference Currency:	[●]/[Settlement Currency]
Disruption Events:	
Benchmark Obligation:	[Applicable]/[Not Applicable] [If applicable: Benchmark Obligations: Primary Obligor: [●] Type of Instrument: [●] Currency of Denomination: [●] Coupon: [●] Maturity Date: [●] BB Number: [●] Face Value: [●]]
Market Disruption Event:	
Benchmark Obligation Default:	[Applicable]/[Not Applicable]
Dual Exchange Rate:	[Applicable]/[Not Applicable]
General Inconvertibility:	[Applicable]/[Not Applicable]
General Non-Transferability:	[Applicable]/[Not Applicable]
Governmental Authority Default:	[Applicable]/[Not Applicable]
Illiquidity:	[Applicable]/[Not Applicable] [Minimum Amount: [●]] [Illiquidity Valuation Date: [●]]
Material Change in Circumstances:	[Applicable]/[Not Applicable]
Nationalisation:	[Applicable]/[Not Applicable] [If applicable: Relevant Affiliates: [Specify]/[Not Applicable]]
Price Materiality:	[Applicable]/[Not Applicable] [If applicable: Primary Rate: [●]/Secondary Rate: [●]/Price Materiality Percentage: [●] per cent.] [Settlement Rate Option: [●]]
Price Source Disruption:	[Applicable]/[Not Applicable]
Specific Inconvertibility:	[Applicable]/[Not Applicable] [Minimum Amount: [●]]

	Specific Non-Transferability:	[Applicable]/[Not Applicable]
	Additional Disruption Events:	
	Change in Law:	[Applicable]/[Not Applicable]
	Hedging Disruption:	[Applicable]/[Not Applicable]
	Increased Cost of Hedging:	[Applicable]/[Not Applicable]
		<i>(Default position for Change in Law/Hedging Disruption/Increased Cost of Hedging is Applicable)</i>
	<i>(Repeat as necessary where there are more FX Indices)</i>	
44	Inflation Index-linked Securities	[Applicable]/[Not Applicable]
		<i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
	Inflation Index:	[●]
	Inflation Fixing Months:	[●]
	<i>(Repeat as necessary where there are more Inflation Indices)</i>	
45	Interest Rate Index-linked Securities	[Applicable]/[Not Applicable]
		<i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
	Interest Rate Index:	[●]
	Information Source:	[●]
	Jurisdictional Event:	[Applicable]/[Not Applicable]
	Jurisdictional Event Jurisdiction(s):	[●]/[Not Applicable]
	Additional Disruption Events:	
	Change in Law:	[Applicable]/[Not Applicable]
	Hedging Disruption:	[Applicable]/[Not Applicable]
	Increased Cost of Hedging:	[Applicable]/[Not Applicable]
		<i>(Default position for Change in Law/Hedging Disruption/Increased Cost of Hedging is Applicable)</i>
	<i>(Repeat as necessary where there are more Interest Rate Indices)</i>	
46	Cash Index-linked Securities	[Applicable]/[Not Applicable]
		<i>(If not applicable, delete the following sub-paragraphs of this paragraph)</i>
	Cash Index:	[●]
	Reference Rate:	[●]
	Specified Page:	[●]
	Compounding Dates:	[●]
	Initial Compounding Date:	[●]
	Day Count Denominator:	[●]/[360]
	<i>(Repeat as necessary where there are more Cash Indices)</i>	
47	Valuation Time:	[As determined in accordance with the Conditions]/[●]/[Not Applicable]

(N.B. Not applicable for Commodity, Commodity Index, Fund, Inflation Index or Interest Rate Index Underlying Assets as they do not have a Valuation time)

48 Adjustments Convention: [As per Asset Term 2]/[●]
(for the purposes of Asset Term 2)

GENERAL PROVISIONS

49 Form of Securities: [Not Applicable]
(Not Applicable if Certificates or Warrants General Terms and Conditions apply) (If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Form: [Bearer Securities]/[Registered Securities]/[Uncertificated]

(ii) Global Security: [Permanent Global Security]/[Not Applicable]

50 Financial Centre(s): [Not Applicable]/[Give details]
(Note that this item relates to the place of payment, and not interest period end dates)

51 Minimum Transferable Number of Securities: [●]/[Not Applicable]
(Applicable for Notes)

52 Transferable Number of Securities: [●]/[Not Applicable]
(Applicable for Certificates or Warrants)

53 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)) [London Stock Exchange] (CS only)
[Irish Stock Exchange]
[Luxembourg Stock Exchange]
[NASDAQ OMX Nordic]
[NASDAQ OMX Stockholm]
[Oslo Børs]
[Euronext, Amsterdam]
[The Issuer will apply for listing the Securities on the official list of Borsa Italiana S.p.A and admission to trading on the [electronic "Securitized Derivatives Market" (SeDeX)]/[Electronic Bond Market (MOT)] organised and managed by Borsa Italiana S.p.A.]
[NB: restrictions apply to Securities listed on Borsa Italiana, speak to CS Legal or Middle Office]
[●]/[None]

(ii) Admission to trading: [Application has been made for the Securities to be admitted to trading on the Regulated Market of the [●] with effect from [●] provided, however, no assurance can be given that the Securities will be admitted to trading or listed on the Regulated Market of the [●] on the Issue Date or any specific date thereafter.]

[Not Applicable]

54 Entities (other than stock exchanges) to [●]/[Not Applicable]

which application for listing and/or approval of the Securities will be made:

55 Security Codes and Ticker Symbols:

ISIN Code: [●]/[Not Applicable]

Common Code: [●]/[Not Applicable]

Swiss Security Number: [●]/[Not Applicable]

Telekurs Ticker: [●]/[Not Applicable]

WKN Number: [●]/[Not Applicable]

56 Clearing and Trading:

Clearing System(s) and any relevant identification number(s): [Euroclear Bank S.A./N.V. and Clearstream Banking, S.A., Luxembourg]
[Clearstream Banking AG, Frankfurt]
[The Securities may also be cleared through the bridge account of Monte Titoli S.p.A.]
[Euroclear Finland]
[Euroclear Sweden]
[VPS]
[Other]

Delivery of Securities: Delivery [against]/[free of] payment[See further the section entitled "Details of the method and time limits for paying up and delivering the Securities" set out in Part B, item [7] below.][*insert if required*]

Minimum Trading Lot: [●]/[Not Applicable]

57 Agents:

Calculation Agent: Credit Suisse International
One Cabot Square
London E14 4QJ

Fiscal Agent[/Principal Certificate Agent]/[Principal Warrant 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

[Nordea Securities Services
Aleksis Kiven katu 3-5
Helsinki
FI-00020 NORDEA
Finland]

[ING Wholesale Banking / Securities Services
Location Code BV 05.01
Van Heenvlietlaan 220
1083 CN Amsterdam
The Netherlands]

(Include where the Securities are to be listed on Euronext, Amsterdam)

[The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Engene Ruppert
L-2453 Luxembourg]

(Include where the Securities are to be listed on Luxembourg)

Additional Agents: [Applicable]/[Not Applicable]

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

Transfer Agent: [Not Applicable]

(Registered Securities only) [The Bank of New York Mellon, acting through its London Branch
One Canada Square
London E14 5AL]

[The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Engene Ruppert
L-2453 Luxembourg]

Registrar: [Not Applicable]

(Registered Securities only) [The Bank of New York Mellon (Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Engene Ruppert
L-2453 Luxembourg]

[Euroclear Finland Oy
Urho Kekkosen katu 5C
00101 Helsinki]

[Nordea Bank Norge ASA
Custody Services
Essendrops gate 7
P.O. Box 1166 Sentrum
0107 Oslo]

[Euroclear Sweden AB
Box 7822
SE-10397 Stockholm]

Issuing Agent: [Not Applicable]

(Registered Securities/Norwegian issues only) [Nordea Bank Norge ASA
Custody Services
Essendrops gate 7
P.O. Box 1166 Sentrum
0107 Oslo]

Issuing Agent (Emissionsinstitut): [Not Applicable]

(Registered Securities/Swedish issues only) [Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE- 106 40 Stockholm]

		Sweden]
		[Nordea Bank AB (publ) Smålandsgatan 24 SE-105 71 Stockholm Sweden]
	Issuer Agent: <i>(Registered Securities/Finnish issues only)</i>	[Not Applicable] [Nordea Securities Services Aleksis Kiven katu 3-5 Helsinki FI-00020 NORDEA Finland] <i>(Delete or add additional Agents as appropriate)</i>
58	Dealer(s):	[Credit Suisse International]/[Credit Suisse Securities (Europe) Limited]/[●][For the avoidance of doubt, the Dealer will not act as a Distributor, as defined in Part B, item [12], and will not place any Securities to the public.][<i>insert if required</i>]
59	Additional steps that may only be taken following approval by Extraordinary Resolution: <i>(Delete if Certificate General Terms and Conditions apply)</i>	[Not Applicable]/[Give details]
60	Specified newspaper for the purposes of notices to Securityholders:	[Not Applicable]/[●]
61	Additional Provisions:	[Not Applicable]/[The “Additional Provisions for [Notes/Certificates] listed on Borsa Italiana S.p.A.”, as set out in the Base Prospectus dated 1 July 2011 relating to the Issuer’s Structured Products Programme shall apply.] [Renouncement Cut-Off Date: the first Currency Business Day after [●]. For the purpose of Borsa Italiana S.p.A., the expiry date (“ <i>data di scadenza</i> ”) will be [●]. (<i>Certificates only</i>)] [TEFRA does not apply as Securities cannot be issued in Definitive Bearer form]

PART B – OTHER INFORMATION

Terms and Conditions of the Offer

- 1 Offer Price: [The Offer Price will be equal to the Issue Price]/[[●] per cent. of the Nominal Amount]/[[●] per Security].
[To be determined on the basis of the prevailing market conditions on or around [●] subject to a maximum of [[●] per cent. of the Nominal Amount]/[[●] per Security].]
[Up to [●] per cent. of the Offer Price is represented by a commission payable to the [relevant] Distributor.
See item [11] below for information on applicable fees.]
[Not Applicable]
- 2 Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: [Up to] [●]
[To be determined on the basis of the demand for the Securities and prevailing market conditions and published in accordance with Article 8 of the Prospectus Directive.]
[It is anticipated that the final amount of Securities to be issued on the Issue Date will be notified to investors by appropriate means (and also through a notice published on the [relevant] Distributor's website, if available) on or around the Issue Date. The final amount of Securities will depend on the outcome of the offer.]
[Not Applicable]
- 3 Conditions (in addition to those specified in the Base Prospectus) to which the offer is subject: [The offer of the Securities is conditional on their issue.]
[Right to cancel: The offer may be cancelled if the Aggregate Nominal Amount or aggregate number of Securities purchased is less than [●], or if the Issuer or the [relevant] Distributor assesses, at its absolute discretion, that any applicable laws, court rulings, decisions by governmental or other authorities or other similar factors render it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions. In the case of cancellation, unless otherwise specified by the [relevant] Distributor, the [relevant] Distributor will repay the purchase price and any commission paid by any purchaser without interest.]
[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the Issue Date.]
[For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor will not be entitled to subscribe or otherwise purchase any

- Securities. The [relevant] Distributor will repay the Offer Price and any commission paid by any investor without interest.]
- [The offer will be subject to the above provisions. In case of withdrawal or cancellation, the [relevant] Distributor will inform the investors that have already applied for the Securities by appropriate means (and also through a notice published on its website, if available) and repay the Offer Price and any commission paid by any investor without interest.]
- [•]
- 4 The time period during which the offer will be open: From, and including, [•] to, and including, [•].
- The Offer Period may be discontinued at any time. [Notice of the early closure of the Offer Period will be made to investors by appropriate means (and also through a notice published on the [relevant] Distributor's website, if available). (See further the section entitled "Details of the minimum and/or maximum amount of application" set out in item [6] below).]
- 5 Description of the application process: [Prospective investors may apply to the [relevant] Distributor to subscribe for Securities in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally.]
- [Investors will be notified by the [relevant] Distributor of the amount allotted.]
- [Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.]
- [Not Applicable]
- [•]
- 6 Details of the minimum and/or maximum amount of application: [There is no minimum amount of application.]
- [All of the Securities requested through the [relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]
- [Allotment of Securities will be managed and coordinated by the [relevant] Distributor subject to the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally. There are no pre-identified allotment criteria. All of the Securities requested through the [relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]
- [In the event that requests exceed the total amount of the offer, the [relevant] Distributor will close the Offer Period early, pursuant to item [4] above.]

		[The [maximum]/[minimum] number of Securities each individual investor may subscribe for is [●].]
		[Not Applicable]
7	Details of the method and time limits for paying up and delivering the Securities:	<p>[Payments for the Securities shall be made to the [relevant] Distributor on [●]/[such date as the [relevant] Distributor may specify] as instructed by the [relevant] Distributor.]</p> <p>[Payments for the Securities shall be made to the [relevant] Distributor in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally, as instructed by the [relevant] Distributor.]</p> <p>[The Securities are expected to be delivered to the purchasers' respective [book entry securities] accounts on or around [●]/[the date as notified by the [relevant] Distributor].]</p> <p>[The Securities will be issued on the Issue Date against payment to the Issuer by the [relevant] Distributor of the aggregate subscription moneys. Each investor will be notified by the [relevant] Distributor of the settlement arrangements in respect of the Securities at the time of such investor's application.]</p>
		[Not Applicable]
8	Manner in and date on which results of the offer are to be made public:	<p>[The results of the offer will be published on the [relevant] Distributor's website following the closing of the Offer Period on or around the Issue Date [or, if such website is not available, the results of the offer will be available upon request from the [relevant] Distributor].]</p>
		[Not Applicable]
		[●]
9	Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:	<p>[Not Applicable]</p>
		[●]
10	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	<p>[Applicants will be notified by the [relevant] Distributor of the success of their application.] [Dealings in the Securities may begin before such notification is made/No dealings in the Securities may take place prior to the Issue Date.]</p>
		[Not Applicable]
		[●]
11	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	<p>[The Distributor[s] will charge purchasers a commission of [●]/[up to [●] per cent. of the Specified Denomination] per Security.]</p> <p>[The Issuer will pay a fee to the Distributor[s] in</p>

- connection with the Offer of [●]/[up to [●] per cent. of the Specified Denomination] per Security.]
- [The Securities [will be]/[have been] sold at a discount.]
- [The Issuer is not aware of any expenses or taxes specifically charged to the subscriber and not disclosed herein.]
- [Taxes charged in connection with the subscription, transfer, purchase or holding of Securities must be paid by the relevant investor and the Issuer will not have any obligation in relation thereto. Investors should consult their professional tax advisers to determine the tax regime applicable to their particular situation.]
- [Not Applicable]
- [●]
- 12 Name(s) and address(es), to the extent known to the Issuer, of the placers (“**Distributors**”) in the various countries where the offer takes place. [●]
[The Issuer reserves the right to appoint other distributors during the Offer Period. Any such appointment will be communicated to investors by means of a notice published on the Issuer’s website.][None]
- 13 Market-Maker: [●]/[Not Applicable]
- 14 Market-making agreement with the Issuer: [Yes]/[No]

Liability for the offer

Any offers made by [the]/[a] Distributor will be made in its own name and not as an agent of the Issuer or the Dealer and only the [relevant] Distributor will be liable for the relevant offer. Neither the Issuer nor the Dealer accepts any liability for the offer or sale by the [relevant] Distributor of Securities.

[Risk Factors

Investors should read the risk factors set out in the Principal Protected Securities and Non-Principal Protected Securities for Options (Call Options and Put Options) Base Prospectus dated 24 August 2011 before making a decision to subscribe for the Securities.] *[Italian trades only]*

[Selling Restrictions

The selling restrictions applicable to the Securities are set out in the Base Prospectus dated 1 July 2011 relating to the Issuer’s Structured Products Programme.] *[Italian trades only]*

[Notice for investors in Finland

Complaints relating to the offer may be submitted to the Securities Complaints Board.]

[Notice for investors in The Netherlands

The Issuer does not have authorisation from the Dutch Central Bank for the pursuit of the business of a bank in The Netherlands and the Issuer does not have a licence pursuant to section 2:11(1) of the Financial Supervision Act.]

[Scenario Analysis

[Include if desired]]

[Retrospective Simulation

[Include if desired]

[Source of information: [●]]

The values used for the simulations are historic and past performance is not a reliable indicator of future performance. The simulations are only examples and should not be considered as implying that the same levels of return could be obtained.

The figures used for the simulations are denominated in [*specify currency*]. Where investors are resident in a country other than the country or countries of such currency, the return for such investors in the currency of their country of residence may be increased or decreased as a result of currency fluctuations.]

[Redemption Amount

[Include Formula and related provisions if desired]]

[Interests of Natural and Legal Persons involved in the Issue

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

[Explanation of effect on value of investment and associated risks

[Include a clear and comprehensive explanation of how the value of the investments is affected by the underlying and the circumstances when the risks are most evident]

[(N.B. The above applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies with a denomination of less than EUR 50,000.

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

[Rating

The Securities have been rated [●] by [●].

[The rating is by a registered rating agency established in the EU]/[The rating is by an unregistered rating agency established outside the EU]/[The rating agency is established in the EU and is applying to be registered but has not yet been registered]/[The rating is by a third country rating agency that is endorsed by an EU registered agency]/[The rating is by a third country rating agency that has not applied to be registered but is certified in accordance with such Regulation.]]

Responsibility

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to as certain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

[Index Trademark(s)/Disclaimer(s)] [*delete if not applicable*]

[Add if applicable]

[Additional Selling Restrictions] [*delete if not applicable*]

[Add if applicable]

[Additional Taxation Provisions] [*delete if not applicable*]

[Add if applicable]