

## BASE PROSPECTUS

dated 3 September 2024

of

### CapStone Securities PCC Limited

*(a special purpose vehicle incorporated as a protected cell company limited by shares under the laws of Guernsey with registered number 74064)*

### for the Issuance of Securities

optionally guaranteed by

Banca Credinvest SA

Under this document (together with all information incorporated by reference herein and any supplements approved by the Review Body (as defined below) and published by CapStone Securities PCC Limited, a protected cell company limited by shares incorporated and registered under the laws of Guernsey with registered number 74064 and having its registered address at Suite 6, Provident House, Havilland Street, St. Peter Port, GY1 2QE Guernsey, the "**Base Prospectus**"), CapStone Securities PCC Limited (the "**Issuer**"), may, on behalf of individual protected cells (the "**Cells**", each a "**Cell**") of the Issuer, from time to time, issue structured securities, certificates and notes (the "**Securities**" or the "**Products**", and each a "**Security**" or a "**Product**"), which may, if this is provided for in the final terms of the relevant Securities (the "**Final Terms**"), be guaranteed by Banca Credinvest SA (hereinafter referred to as "**Guarantor**", any Securities guaranteed by the Guarantor hereinafter referred to as the "**Guaranteed Securities**" and the obligation of the Guarantor to guarantee the Securities hereinafter referred to as "**Guarantee**"). The Securities may be based on any kind of underlying (each an "**Underlying**" or an "**Underlying Asset**"), including, without limitation, shares, indices, currencies, interest rates, commodities, funds, reference obligations and baskets thereof or any combination thereof.

The Securities are limited recourse debt obligations of the Issuer, acting on behalf of its relevant Cell. All payment obligations of the Issuer, acting on behalf of its relevant Cell, under the Securities constitute obligations exclusively to make payments in an amount limited to (i) the assets held by the relevant Cell, (ii) any amounts or deliveries received by the Issuer, acting on behalf of its relevant Cell, from such assets, (iii) any other hedging positions and returns thereof (if any), and (iv) any cash positions (if any) (together, the "**Collateral Assets**"). The Collateral Assets are held in custody with custodians such as Banca Credinvest SA, as specified in the Final Terms ("**Custodians**"). To the extent that the Collateral Assets, or the proceeds from the realization thereof, prove ultimately insufficient to satisfy the claims of all investors in the relevant Securities issued by the Issuer on behalf of the relevant Cell (each a "**Holder**" or "**Investor**", and collectively the "**Holders**" or "**Investors**") in full, then any shortfall arising shall be extinguished and the Investors will have no further claims against the Issuer, acting on behalf of its relevant Cell, nor, in respect of Guaranteed Securities, against the Guarantor.

The Issuer is a special purpose vehicle incorporated under Guernsey law as a protected cell company and the Securities do not benefit from any charge, pledge, mortgage or security of any such nature apart from the collateral provided by the Collateral Assets held by the relevant Cell which has issued the Security. **Unless explicitly provided for otherwise herein or unless the context otherwise requires, all references in this Base Prospectus to the Issuer shall be read as references restricted to a Cell specified in the Final Terms and to the assets and liabilities allocated thereto and not to the Issuer as a whole.**

The Securities will be issued on the basis of (i) the information set out in this Base Prospectus, including the general terms and conditions (the "**General Conditions**"), as amended and/or supplemented from time to time, and (ii) the relevant Final Terms. This Base Prospectus and the relevant Final Terms shall form the entire documentation for each Security (the "**Product Documentation**"). Thus, the Final Terms should always be read together with the Base Prospectus in order to obtain all necessary information required for an assessment of the Securities and the Issuer and the Guarantor (if any). In the event of any discrepancies between the relevant Final Terms and this Base Prospectus, the provisions of the Final Terms shall prevail. Definitions used in the Final Terms, but not defined therein, shall have meaning given to them in this Base Prospectus.

**THE SECURITIES ARE ONLY GUARANTEED IF THE RELEVANT FINAL TERMS EXPRESSLY INDICATE A GUARANTOR. ALL STATEMENTS IN THE PRODUCT DOCUMENTATION RELATING TO THE GUARANTOR ARE THEREFORE NOT APPLICABLE AS LONG AS NO GUARANTOR HAS BEEN APPOINTED WITH RESPECT TO THE RELEVANT SECURITIES.**

The Securities will be obligations solely of the Issuer, acting on behalf of its relevant Cell and (other than the Guaranteed Securities) will not be guaranteed by, or be the responsibility of, any other entity. Investing in the Securities therefore entails an issuer risk, meaning that Investors must bear losses if the Issuer, acting on behalf of its relevant Cell, defaults, becomes insolvent or any other case of negative changes in the financial condition of the Issuer, acting on behalf of its relevant Cell. The Issuer is not supervised by any regulator and the Securities (other than the Guaranteed Securities) are not guaranteed or secured in an equivalent manner by an institution supervised by any regulator.

Securities issued under this Base Prospectus are debt securities and structured products. The Securities are highly speculative and involve a high degree of risk, including the risk of a total loss of all capital invested. Whether the Securities constitute a suitable or appropriate investment must be assessed in light of each investor's own circumstances. Neither this Base Prospectus nor any marketing material relating to the Securities constitute investment advice, financial advice or any other kind of advice to Investors. Investors must make a suitability or appropriateness assessment regarding investments in the Securities or consult with the Investor's professional advisers. An investment in the Securities is only suitable or appropriate for Investors who have sufficient experience and knowledge to assess risks related to the investment and is only suitable for Investors who also have investment objectives that match the Securities' exposure and other characteristics and have the financial means to bear the risks associated with the investment.

This Base Prospectus is dated 3 September 2024 and has been approved by and registered with SIX Exchange Regulation Ltd. as Review Body ("**Review Body**") within the meaning of article 52 of the Swiss Federal Act on Financial Services, as the same may be amended from time to time (*Finanzdienstleistungsgesetz*; the "**FinSA**") on 3 September 2024.

Where appropriate, the Issuer may decide to apply for the listing of any Securities on any regulated or unregulated market. However, the Issuer may also decide not to apply for the listing and/or admission to trading of the Securities on any securities exchange. Any such listing and/or admission to trading of the Securities will be specified in the relevant Final Terms.

**The Securities do not represent a participation in any of the collective investment schemes pursuant to articles 7 et seqq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and are not subject to an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Investors in the Securities are subject to the market risk and the Issuer's credit risk. In addition, the Investors bear the credit risk of the Custodians in relation to the cash positions held in the Collateral Assets and (in case of Guaranteed Securities) the Guarantor's credit risk. The Issuer is not supervised by any regulator and the Securities are only guaranteed if the relevant Final Terms expressly indicate a Guarantor.**

This Base Prospectus does not qualify as a prospectus published in accordance with the requirements of Regulation (EU) 2017/1129, as amended, (the "**EU Prospectus Regulation**") and is not filed with or notified to a financial supervisory authority of an EEA jurisdiction. Therefore, the Securities issued under this Base Prospectus may not be offered in EEA jurisdictions other than (a) in minimum denominations of, or total consideration per investor of at least, EUR 100,000 (or equivalent in other currencies); or (b) only to Qualified Investors (as defined in the EU Prospectus Regulation); or (c) (aggregated for all distributors) to less than 150 natural or legal persons that are not Qualified Investors (as defined in the EU Prospectus Regulation) per EEA jurisdiction. If the Final Terms in respect of any Securities include a legend entitled "Prohibition of Offering to EEA Retail Investors", the Securities are not intended to be offered to and should not be offered to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in EU Prospectus Regulation.

**THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING**

**AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND ARE BEING SOLD PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES MAY INCLUDE SECURITIES IN BEARER FORM THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. TRADING IN THE SECURITIES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "COMMODITY EXCHANGE ACT") OR BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("REGULATION S")).**

If you are in any doubt about the contents of this document you should consult your accountant, legal or professional adviser or financial adviser.

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

It should be remembered that the prices of the Securities and the income from them can go down as well as up.

Potential Investors are explicitly reminded that an investment in Securities entails financial risks. Holders of the Securities run the risk of losing all or part of the amount invested by them in the Securities. All potential investors in Securities are, therefore, advised to study the full contents of this Base Prospectus, in particular the risk factors (see section *Risk Factors*).

**TABLE OF CONTENTS**

	<b>Page</b>
<b>I. SUMMARY OF THE BASE PROSPECTUS</b> .....	<b>6</b>
<b>II. FORWARD-LOOKING STATEMENTS</b> .....	<b>9</b>
<b>III. RISK FACTORS</b> .....	<b>11</b>
<b>A. Risk Factors Relating to the Issuer and the Guarantor (if any)</b> .....	<b>11</b>
<b>B. Risk Factors Relating to the Securities</b> .....	<b>15</b>
I. General Risk Factors relating to the Securities.....	16
II. Risk Factors relating to Specific Features of the Securities.....	26
<b>C. Risks relating to Conflicts of Interest</b> .....	<b>31</b>
<b>D. Further Risk Factors Relating to the Securities</b> .....	<b>31</b>
<b>IV. CONSENT TO THE USE OF THE PROSPECTUS</b> .....	<b>32</b>
<b>V. GENERAL DESCRIPTION OF THE SECURITIES</b> .....	<b>33</b>
<b>A. In General</b> .....	<b>33</b>
<b>B. Product Categories</b> .....	<b>33</b>
<b>C. Description of Certain Product Features</b> .....	<b>34</b>
<b>D. Explanation of Mechanism of Certain Product Types</b> .....	<b>35</b>
I. Capital Protection Products (SSPA Category 11) .....	35
II. Yield Enhancement Products (SSPA Category 12) .....	37
III. Participation Products (SSPA Category 13) .....	39
IV. Investment Products with Additional Credit Risk (SSPA Category 14).....	41
V. Leverage Products (SSPA Category 20) .....	43
VI. Specific Information on Actively Managed Certificates (AMCs) - Tracker Certificate (1300) .....	45
<b>VI. GENERAL CONDITIONS OF THE SECURITIES</b> .....	<b>47</b>
<b>A. General Conditions applicable to all Securities</b> .....	<b>47</b>
I. Form of the Securities .....	47
II. Status, Limited Recourse and Non-Petition .....	47
III. Priority of Payments.....	48
IV. Guarantee .....	48
V. Classification.....	49
VI. Collateralization and Hedging.....	49
VII. Term of the Securities .....	49
VIII. Issue Price and Minimum Investment / Minimum Trading Lot .....	49
IX. Listing .....	49
X. Issuance of Additional Securities and Repurchase of Securities .....	49
XI. Payments under the Securities and Discharge .....	50
XII. Calculations .....	50
XIII. Currency Exchange Rates .....	50
XIV. Business Day Convention .....	50
XV. Settlement Disruption Events.....	50
XVI. FX Disruption Events.....	51
XVII. Illiquidity Events.....	51

XVIII.	Redemption of Securities .....	51
XIX.	Early Redemption following the occurrence of an Early Redemption Event .....	53
XX.	Agents.....	53
XXI.	Changes with regard to the Issuer and the Guarantor (if any) .....	54
XXII.	Event of Default .....	54
XXIII.	Determinations Binding .....	54
XXIV.	Liability of the Issuer and the Agents.....	55
XXV.	Default Interest .....	55
XXVI.	Notices .....	55
XXVII.	Prescription.....	55
XXVIII.	Amendments.....	55
XXIX.	Severability .....	56
XXX.	Governing Law and Jurisdiction .....	56
<b>B.</b>	<b>Additional General Conditions applicable to Securities linked to Shares .....</b>	<b>57</b>
<b>C.</b>	<b>Additional General Conditions applicable to Securities linked to Indices.....</b>	<b>61</b>
<b>D.</b>	<b>Additional General Conditions applicable to Securities linked to Commodities .....</b>	<b>64</b>
<b>E.</b>	<b>Additional General Conditions applicable to Securities linked to Currency Exchange Rates .</b>	<b>66</b>
<b>F.</b>	<b>Additional General Conditions applicable to Securities linked to Funds .....</b>	<b>67</b>
<b>G.</b>	<b>Definitions .....</b>	<b>68</b>
<b>VII.</b>	<b>FORM OF GUARANTEE .....</b>	<b>77</b>
<b>VIII.</b>	<b>INFORMATION REGARDING THE ISSUER .....</b>	<b>81</b>
<b>IX.</b>	<b>INFORMATION REGARDING THE GUARANTOR .....</b>	<b>84</b>
<b>X.</b>	<b>RESPONSIBILITY STATEMENT .....</b>	<b>87</b>
<b>XI.</b>	<b>SELLING RESTRICTIONS .....</b>	<b>88</b>
<b>XII.</b>	<b>TAXATION .....</b>	<b>90</b>
<b>XIII.</b>	<b>INCORPORATION BY REFERENCE.....</b>	<b>95</b>
<b>XIV.</b>	<b>GENERAL INFORMATION .....</b>	<b>96</b>
<b>XV.</b>	<b>FORMS OF FINAL TERMS .....</b>	<b>99</b>

## I. SUMMARY OF THE BASE PROSPECTUS

This summary (the "Summary") contains all the information required to be included in a summary of a base prospectus pursuant to article 45 of the Swiss Federal Act on Financial Services for this type of securities and issuer.

This Summary is an introduction to and should be read together with the base prospectus (the "Base Prospectus"). Any decision to invest in the securities to be issued under the Base Prospectus (the "Securities") should be based on consideration of the Base Prospectus in its entirety by the investor (including documents incorporated into the Base Prospectus by reference), and not on the Summary alone. In particular, each investor should consider the risk factors described in the Base Prospectus (including documents incorporated into the Base Prospectus by reference).

**ANY LIABILITY FOR THE CONTENT OF THIS SUMMARY IS LIMITED TO CASES WHERE THE INFORMATION CONTAINED IN THIS SUMMARY IS MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THE BASE PROSPECTUS.**

### Issuer:

CapStone Securities PCC Limited (the "**Issuer**"). The Issuer is a special purpose vehicle in the legal form of a protected cell company ("**PCC**") limited by shares incorporated and registered under the laws of Guernsey under registration number 74064. The Issuer may, on behalf of individual protected cells (the "**Cells**", each a "**Cell**"), issue Securities under this Base Prospectus from time to time. Assets in a PCC are either cellular (in that they are attributable to a specific Cell) or non-cellular (in which case they are considered core assets). The registered office of the Issuer is at Suite 6, Provident House, Havilland Street, St. Peter Port, GY1 2QE Guernsey.

The Issuer's Legal Entity Identifier (LEI) is 213800LFXGH3MDS15881.

### Guarantor:

Banca Credinvest SA (the "**Guarantor**") is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an *Aktiengesellschaft*, a stock corporation. The registered office of the Guarantor is at Via G. Cattori 14, 6900 Lugano, Switzerland.

If specified in the applicable Final Terms, the Guarantor gives a legally enforceable guarantee in favor of the Holders to vouch for performance of the obligations of the Issuer, acting on behalf of its relevant Cell, or provides the relevant Cell of the Issuer with sufficient financial resources to be able to satisfy Holders' claims (the "**Guarantee**"). Any Guarantee shall only apply to Securities where this is explicitly stated in the applicable Final Terms. Consequently, Holders of other Securities will not be able to make claims against the Guarantor under such Guarantee.

### Types of Securities described in the Base Prospectus:

This section includes a summary description of the types of Securities which may be issued under the Base Prospectus. The list of types of Securities set out below is not exhaustive and the Issuer, acting on behalf of its relevant Cell, is free to modify the Securities issued under the Base Prospectus by adding additional features. Additional information on the Securities, including a description of the particular Securities, will be included in the applicable final terms of the Securities (the "**Final Terms**").

Securities issued under this Base Prospectus are debt securities and structured products ("**Structured Products**") in accordance with the Swiss Derivative Map of the Swiss Structured Products Association (the "**SSPA**"). The Securities are limited recourse debt obligations of the Issuer, acting on behalf of its relevant Cell.

The Securities offered and/or listed on a regulated or another market under the Base Prospectus and the respective settlement amount, redemption amount, interest amount, coupon amount and/or early payment amount as well as any other payment or delivery obligation may be based on the performance of any kind of

underlying (each an "**Underlying**" or an "**Underlying Asset**"), including, without limitation, shares, indices, currencies, interest rates, commodities, funds, reference obligations and baskets thereof or any combination thereof.

The Securities are subject to provisions which provide for various adjustments and modifications of their terms and alternative means of valuation of the Underlying(s) in certain circumstances, any of which provisions could be exercised by the Issuer and/or Calculation Agent in a manner which has an adverse effect on the market value and/or amount payable or deliverable in respect of such Securities.

The following types of Securities may be issued under the Base Prospectus. For a more detailed description of each of these types of Securities, please refer to the section *General Description of the Securities* below on pages 33 to 46 of this Base Prospectus:

- *Capital Protection Products (SSPA Category 11)*
  - *Capital Protection Note with Participation (1100)*
  - *Capital Protection Note with Barrier (1130)*
  - *Capital Protection Note with Twin Win (1135)*
  - *Capital Protection Note with Coupon (1140)*
- *Yield Enhancement Products (SSPA Category 12)*
  - *Discount Certificate (1200)*
  - *Barrier Discount Certificate (1210)*
  - *Reverse Convertible (1220)*
  - *Barrier Reverse Convertible (1230)*
  - *Conditional Coupon Reverse Convertible (1255)*
  - *Conditional Coupon Barrier Reverse Convertible (1260)*
- *Participation Products (SSPA Category 13)*
  - *Tracker Certificate (1300)*
  - *Outperformance Certificate (1310)*
  - *Bonus Certificate (1320)*
  - *Bonus Outperformance Certificate (1330)*
  - *Twin-Win Certificate (1340)*
- *Investment Products with Additional Credit Risk (SSPA Category 14)*
  - *Credit Linked Note (1400)*
  - *Conditional Capital Protection Note with Additional Credit Risk (1410)*
  - *Yield Enhancement Certificate with Additional Credit Risk (1420)*
  - *Participation Certificate with Additional Credit Risk (1430)*
- *Leverage Products (SSPA Category 20)*
  - *Warrant (2100)*
  - *Spread Warrant (2110)*
  - *Warrant with Knock-Out (2200)*
  - *Mini-Future (2210)*
  - *Constant Leverage Certificate (2300)*

**Investors should be aware that this is not an exhaustive list of the types of Securities which may be issued under the Base Prospectus. The types of Securities which may be issued under the Base Prospectus include any other types of Securities (including any series of Securities comprising a combination of two or more of any of the types of Securities mentioned above) as set out in the applicable Final Terms.**

**Information on the Securities:**

The most important information relating to the Securities in view of a particular public offering or admission to trading of the Securities (if any) will be set out in the relevant Final Terms.

**Information on the Offering:**

The most important information relating to the offering in view of a particular public offering of Securities (if any) will be set out in the relevant Final Terms.

**Information on any Listing or Admission to Trading:**

The most important information relating to a specific listing and/or admission to trading of the Securities (if any) will be set out in the relevant Final Terms.

**Approval of Base Prospectus:**

This Base Prospectus is dated 3 September 2024 and has been approved by and registered with SIX Exchange Regulation Ltd. (the "**Review Body**") on 3 September 2024.

**Final Terms:**

In case of an issue of Securities (a) offered to the public in Switzerland pursuant to article 35 of the FinSA (except as specified under article 36(1) or article 37 of the FinSA) or (b) admitted to trading on a trading venue in accordance with article 26(a) of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading dated 19 June 2015, as the same may be amended from time to time ("**Non-Exempt Securities**"), the Final Terms relating to the relevant Non-Exempt Securities will be published and filed with the Review Body as soon as possible after the final information relating to the relevant Non-Exempt Securities is available. In case of Securities to be admitted to trading in Switzerland, a publication and filing with the Review Body will take place no later than on the date the relevant Securities are admitted to trading.



## II. FORWARD-LOOKING STATEMENTS

Certain statements in this Base Prospectus are forward-looking statements. These statements can be characterized by the fact that they do not relate strictly to historical or current matters of fact and/or which may not otherwise be provable by reference to past events as of the date of this Base Prospectus. These statements often include words such as "believe", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "assume", "may", "continue", "will", "shall", "could" and "should" or other expressions of similar meanings. Forward-looking statements relate to the current expectations of the Issuer (acting for itself or a relevant Cell) or forecasts of future events, circumstances, results or aspirations.

All forward-looking statements are, by their nature, subject to risks and uncertainties because they relate to events and/or depend on circumstances that may or may not occur in the future and/or are beyond the Issuer's and the Guarantor's control and are based on estimates and assessments made to the best of the Issuer's present knowledge. The Issuer's future results may differ materially from those set forth in its forward-looking statements. Therefore, prospective investors should not place undue reliance on these forward-looking statements.

Any forward-looking statements contained in this Base Prospectus are only made as of the date hereof except for those forward-looking statements which are explicitly made as of a specific date. The Issuer (whether acting for itself or a Cell) does not intend and does not assume any obligation, to update any forward-looking statements contained in this Base Prospectus, except as required by law.

While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors which could cause actual results of operations, the financial condition, liquidity or the general business condition to differ from those in the forward-looking statements:

- local, regional and international business, economic and political conditions and geopolitical events;
- adverse changes in laws and regulations, including as a result of recent financial services legislation;
- adverse judicial or regulatory proceedings;
- future capital needs and the uncertainty of additional funding;
- changes in trade, monetary and fiscal policies and laws;
- securities and capital markets behaviour, including changes in market liquidity and volatility;
- changes in investor sentiment or consumer spending or savings behaviour;
- attraction and retention of key employees;
- competition from other financial services providers;
- damage in the Issuer's or the Guarantor's reputation;
- ability of the Issuer or the Guarantor to deal effectively with an economic slowdown/downturn or other economic developments;
- technology changes instituted by the Issuer or the Guarantor, their counterparties or competitors;
- changes in the credit quality of the Guarantor's customers and counterparties; and
- adequacy of the Issuer's or the Guarantor's risk management framework, disclosure controls and procedures and control over financial reporting, and the effectiveness of such controls and procedures in preventing control lapses or deficiencies.

New risks may emerge from time to time, and it is not possible for the Issuer to predict all such risks, nor can it assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking

statements. Given these risks and uncertainties, prospective investors must not rely on forward-looking statements as a prediction of actual performance or results.

### III. RISK FACTORS

The Securities are complex financial instruments and an investment therein involves substantial risks and is a riskier investment than an investment in ordinary debt or equity securities. Furthermore, an investment in the Securities is not equivalent to investing directly in the Underlying Assets (if any). Potential Investors should carefully consider the risks set out in this section of the Base Prospectus, together with all further information contained in the relevant Final Terms and in this Base Prospectus, before making a decision to invest in the Securities.

The Issuer believes that the following factors (i) may affect its ability (whether acting for itself or a relevant Cell) to fulfil its obligations in respect of the Securities and/or (ii) are material for the purpose of assessing the market risk and other risks associated with the Securities. All of these factors are contingencies which may or may not occur and the Issuer does not express a view on the likelihood of any such contingency occurring. Furthermore, various risks may have a simultaneous and/or compounding effect which leads to the fact that the effect of a particular risk is not predictable. No assurance can be given as to the effect that any combination of risks may have on the value of the Securities. The risks set out in the relevant Final Terms and in this section of the Base Prospectus are not exhaustive and there are additional risks and uncertainties that are not currently known to the Issuer and/or its affiliates or that the Issuer currently deems to be immaterial but that could nevertheless have a material adverse impact on the business operations or financial condition of the Issuer or on the Securities.

Each prospective Investor should, prior to a purchase of the Securities, consult with its own legal, regulatory, tax, financial and accounting advisors to the extent it considers necessary in order to determine whether an investment in the Securities is a fit, proper and suitable investment for it with a view to its financial situation, its constitutional documents, its internal policies and guidelines, the laws and regulations applicable to it and the impact the Securities will have on its overall investment portfolio. Prospective Investor should not invest in the Securities unless they have the expertise (either alone or with an adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the Securities and the impact this investment will have on the prospective Investor's overall investment portfolio.

For the purpose of any risk assessment and risk evaluation regarding an investment in Securities, all the following risks described should be read and taken into consideration in their entirety.

Unless defined otherwise herein, terms used herein shall have the meaning ascribed to them in section VI.G (*Definitions*) of the General Conditions or elsewhere in this Base Prospectus.

#### A. RISK FACTORS RELATING TO THE ISSUER AND THE GUARANTOR (IF ANY)

Investing in the Securities entails an issuer risk or, in the case of Guaranteed Securities, a guarantor risk, meaning that Holders must bear losses if the Issuer, acting on behalf of a Cell, and, in case of Guaranteed Securities, also the Guarantor, defaults, becomes insolvent or any other case of negative changes in the financial condition of the Issuer, acting on behalf of a Cell, or, in case of Guaranteed Securities, also the Guarantor. The Issuer is not supervised by any regulator and the Securities, except for Guaranteed Securities, are not guaranteed or secured in an equivalent manner by an institution supervised by any regulator.

#### No Regulation of the Issuer

The Issuer is domiciled in an offshore jurisdiction and is not licensed, registered or authorized under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There can be no assurance, however, that regulatory authorities in one or more jurisdictions will not determine that the Issuer is required to be licensed, registered or authorized under the securities, commodities or banking laws of such jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could have an adverse impact on the Issuer or Holders of the Securities. New legislation or regulations, decisions by public authorities or changes regarding the application of or interpretation of existing legislation, regulations or decisions by public authorities applicable to the Issuer's operations, the Securities or the Underlyings, may adversely affect the Issuer's business or an investment in the Securities.

#### Credit Risk

Holders are exposed to credit risk (including the risk of insolvency) in relation to the Issuer and the relevant Cell. The Issuer's financial position is affected by a number of factors, some of which have been described herein. A Holder's possibility to obtain payment in accordance with the applicable Final Terms is therefore dependent on the Issuer's ability, acting on behalf of its Cells, to meet its and/or its Cells' payment obligations.

The Securities are not, either directly or indirectly, an obligation of any other party, except for Guaranteed Securities which are, if specified in the applicable Final Terms, guaranteed by the Guarantor. As a result, irrespective of the collateralization, the creditworthiness of the Issuer may affect the market value of any Securities and, in the event of a default, insolvency or bankruptcy, Holders may not receive the amount owed to them under the Product Documentation and the amount received may even be zero.

In case of Guaranteed Securities, if the Issuer, acting on behalf of a Cell, cannot meet its and/or the Cell's payment obligations, Holders must claim any amount due and unpaid by the Issuer, acting on behalf of a Cell, against the Guarantor. As a result, Holders are exposed to the credit risk of the Guarantor.

### **Market Risk**

Market risk means the risk that a Security's result or value decrease due to changes in the risk factors on the financial market. The Issuer, acting on behalf of its Cells, is exposed to market risk due to the risk that its Underlying(s) or Collateral Assets may prove inadequate or do not generate the expected result, which could adversely affect the value of the Security and the financial results of the Issuer or its Cell if the risk occurs.

Market volatility may result in the Issuer, acting on behalf of a Cell, incurring losses despite collateral and/or hedging arrangements. The Issuer is a newly-created special purpose vehicle established as a protected cell company and each Cell depends on capital from outside investors. The Issuer, acting on behalf of its Cells, is highly indebted. Should the Issuer, acting on behalf of its Cells, be unable to raise additional funds, there are limited reserves to maintain company operations, which may result in the inability of the Issuer to continue as a going concern.

### **Short Business History and Limited Business Objective of the Issuer**

The Issuer is a special purpose vehicle within the meaning of Article 96 para. 2 of the Ordinance on Financial Services, as amended (the "**FinSO**"). The business activities of the Issuer, acting on behalf of its Cells, concerns the issuance of Securities as well as secondary activities directly connected with the issue of these financial instruments (such as the offering, hedging and redemption of Securities). The only business of the Issuer, acting on behalf of its Cells, is the issuance of Securities. As a special purpose vehicle, the Issuer, acting on behalf of its Cells, will incur costs in order to get the Securities structured, issued, administrated and, eventually redeemed and terminated. Furthermore, there is a risk that the Issuer, acting on behalf of its Cells, will not be successful in its issue of Securities, that the Issuer, acting on behalf of its Cells, will not make profits, despite this being the Issuer's aim. If the Issuer, acting on behalf of its Cells, becomes unsuccessful in the issuance of Securities, the Issuer may cease its business activities as Issuer or ultimately may become insolvent. If the Issuer and/or any of its Cells becomes insolvent, the Issuer may not be able to repay parts of or Investors' entire investments.

The Issuer's business activity is primarily the issuance of Securities acting, in each case, on behalf of its Cells. If the issuance of Securities does not become successful or becomes less successful going forward and if the Issuer cannot adapt to such changed circumstances, the Issuer may be unsuccessful in carrying out its business which may lead to a decrease in the value of the Securities.

### **Operational Risks**

Operational risks are risks relating to losses which the Issuer and, in case of Guaranteed Securities, the Guarantor may encounter on grounds of incorrect or insufficient routines, errors caused by humans or systems as well as legal risks (including disputes and litigation). If the direction or control has been insufficient it may adversely affect the hedging arrangements, reputation, operating result, and financial position. Thus, the Issuer's operations and financial position is exposed to operational risks. Further operational risks may arise regarding the operations of service.

### **Business Risks**

Business risks are risks that arise as a consequence of external circumstances or events that harm the Issuer's and/or the Issuer's Cells' and, in case of Guaranteed Securities, the Guarantor's reputation or returns. Business risk may involve unexpected changes to the Issuer's and/or the Issuer's Cells' and, in case of Guaranteed Securities, the Guarantor's results, for instance, in case of the Issuer, if the demand of the Issuer's Securities or other financial instruments or services decreases which may lead to a decrease in profits for the Issuer acting on behalf of its Cells.

The Issuer, acting on behalf of its Cells, depends on the possibility to invest in Underlyings or Collateral Assets as determined by the Issuer, acting on behalf of its Cells. These Underlyings may be impacted by global and local economic conditions, market sentiment and regulatory changes. Should the investments in

Underlyings or Collateral Assets be constrained or a disruption to exchanges or other market venues or the secondary market of such Underlyings or Collateral Assets occur, a Cell's financial performance and credit-worthiness may be adversely impacted. Business risk may involve unexpected changes to a Cell's result.

### **Liquidation**

In a winding up, the cells of a protected cell company incorporated in Guernsey remain separate and the liquidator may apply a cell's assets only to those creditors entitled to have recourse to them. The general rule that all of a company's assets must be applied in satisfaction of the company's debts and liabilities *pari passu* is modified in relation to protected cell companies.

### **Recognition of Protected Cell Company Structure**

Jurisdictions other than Guernsey may not be prepared to recognize the segregation of assets and liabilities between Cells or between the core and the Cells. As a protected cell company, the Issuer consists of a core and separate and distinct, but not separately incorporated, Cells. In accordance with the Companies (Guernsey) Law, 2008 as amended (the "**Companies Law**"), the assets and liabilities of any Cell are legally segregated and protected from those of the other Cells. Similarly, the assets and liabilities of the core are segregated and protected from those of the Cells. The principle is that where any liability arises which is attributable to a particular Cell or to the core only the cellular assets attributable to that Cell or the company assets attributable to the core should be used in satisfaction of the liability, as the case may be. Thus, subject to certain exceptions, when considering a liability attributable to a Cell, the core assets and the assets attributable to any Cell other than the Cell to which the relevant liability is attributable, are "protected assets". The directors of the Issuer are not aware of any case in which the mechanism by which assets and liabilities are segregated through a protected cell company has been considered by a foreign court. Where the assets of a Cell of the Issuer are held outside Guernsey, and an action is brought against that Cell (or indeed the Issuer) in the jurisdiction in which the assets are located, it is not known to what extent the foreign court will assume jurisdiction, or give primacy to Guernsey corporate law in evaluating whether or not those assets are free for the purposes of any enforcement action in that jurisdiction. There is a risk that the segregation of assets and liabilities between the Cells or between the core and the Cells may not be recognized or upheld within the courts in jurisdictions outside Guernsey. In relation to the Issuer, this could result in Investors in one Cell bearing losses or liabilities in relation to another Cell which could impact upon the value of assets held within the first Cell. However, the directors understand that, as a matter of comity, a court in a jurisdiction outside Guernsey would have to satisfy itself that it has jurisdiction (as a matter of conflict of laws), and then if it does assume jurisdiction, it would apply Guernsey law and should, therefore, recognize and uphold the manner in which assets can be segregated through the Companies Law.

The Issuer must inform any person with whom it transacts that it is a protected cell company, and must identify or specify the Cell in respect of which that person is transacting or specify that the transaction is in respect of the core (as appropriate). If the Issuer fails to provide the transacting party with this information, then the directors of the Issuer become personally liable to the counterparty to the contract although, unless they were fraudulent, reckless, negligent or acted in bad faith, they do have a right of indemnity against the core assets of the Issuer. Only the court can relieve the directors of the Issuer from this liability on certain grounds set out further in the Companies Law and, in doing so, may order that any liability may be met from the cellular assets or core assets of the Issuer. In relation to the Issuer, this could result in Investors in one Cell bearing losses or liabilities in relation to another Cell which could impact upon the value of assets held within the first Cell.

### **Receivership of Cells in a Protected Cell Company**

A receivership order may be made by the Royal Court of Guernsey in respect of one or more cells of a protected cell company where:

- taking account of any assets subject to a recourse agreement, the cellular assets attributable to a particular cell are, or are likely to be, insufficient to discharge the creditor's claims in respect of that cell;
- the making of an administration order in respect of that cell would not be appropriate; and
- the making of an order would achieve the orderly winding up of the business of that cell and the distribution of the cellular assets to those who have recourse against them.

During the continuance of a receivership order, the powers and responsibilities of the directors cease in relation to that cell. There is a court sanctioned moratorium during the operation of the receivership order against resolutions for the winding up of the protected cell company and on the commencement or continuance of proceedings against the relevant cell of the protected cell company (save with the leave of the Royal

Court of Guernsey). The moratorium does not affect the rights of set-off, secured interests, or the rights of enforcement thereof that the Royal Court of Guernsey may direct.

Subject to rules on preferential payments, any subordination agreements and any set-off agreements, the protected cell company's cellular assets which are the subject of a receivership order must be realized and applied in satisfaction of that cell's liabilities *pari passu*. Any surplus must be distributed to shareholders of the cell or persons so entitled. If there are no such persons, it must be distributed among the holders of the core assets in accordance with their respective rights and interests.

### **Foreign Recognition**

Where the assets of a cell of a protected cell company are held outside Guernsey, and an action is brought against the protected cell company in the jurisdiction in which the assets are located, it is not known to what extent the foreign court will assume jurisdiction, or give primacy to Guernsey corporate law in evaluating whether or not those assets are free for the purposes of any enforcement action in that jurisdiction.

### **Recognition and Enforcement of Foreign Judgments**

There is not currently in force any law of the Island of Guernsey that provides for automatic recognition or enforcement of judgments obtained in the courts of any other nation. However, a judgment obtained in a court of another nation specified under the Judgments (Reciprocal Enforcement) (Guernsey) Law 1957 and the ordinances and rules thereunder (collectively, the "**Reciprocal Enforcement Legislation**") will, subject to certain exceptions be recognized as a valid judgment and, without review of its substance, enforced in the courts of Guernsey provided: (i) the judgment is of a superior court of a reciprocating country, (ii) the judgment is final and conclusive; (iii) the judgment is in respect of a sum of money not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty, (iv) the court which granted the order had jurisdiction to grant the judgment; and (v) not more than six years have passed since the date of the judgment.

Subject to the principles of private international law, by which for example foreign judgments may be impeachable, as applied by Guernsey law, a judgment obtained in a court not falling within the Reciprocal Enforcement Legislation may be recognized by the courts of Guernsey on application properly made to it.

### **Administration of a Protected Cell Company**

An administration order may be granted by the Royal Court of Guernsey in respect of a protected cell company or any one or more of its cells if the court is satisfied that the protected cell company (or a cell) does not satisfy or is likely to become unable to satisfy, the solvency test, set out in the Companies Law, and if the Royal Court of Guernsey considers that the making of an administration order may achieve (i) the survival of the protected cell company or cell (as the case may be) and the whole or part of its undertaking, as a going concern; or (ii) a more advantageous realization of the protected cell company's or the cell's (as the case may be) assets than would be effected on a winding up.

Administration implements a court sanctioned moratorium against resolutions for the winding up of a company, and on the commencement or continuance of proceedings against the protected cell company (without the leave of the court) during the period between the application and the making of the actual administration order. The moratorium continues once the administration order has been granted but does not affect rights of set-off, secured interests and rights of enforcement thereof.

An administrator is empowered to do all such things as may be necessary or expedient for the management of the affairs, business and property of the protected cell company or a cell. Upon his appointment, the administrator must take into his custody or control all the property to which the protected cell company or the relevant cell appears entitled. The administrator must also manage the affairs, business and property of the protected cell company or the relevant cell in accordance with any directions given by the Royal Court of Guernsey. The administrator can remove and appoint directors. Neither an application for administration, nor the consequent order for administration, results in a statutory cessation of the powers and responsibilities of the directors. However, any functions conferred on the protected cell company or its officers constitutionally or by law which could be performed in a way which interferes with the administrator's functions, may not be performed unless the administrator gives his consent.

### **Risk of Conflicts of Interest**

Certain parties or persons involved or members of the board of directors of the Issuer or the Guarantor are or may be acting in various functions with respect to the Securities (e.g. as Issuer, Guarantor in case of

Guaranteed Securities, Calculation Agent, Paying Agent, Custodian, Distributor, etc.). This may lead to potential or actual conflicts of interest.

### **Litigation Risk**

Legal proceedings could adversely affect the Issuer's and/or the Cells' and, in case of Guaranteed Securities, the Guarantor's operating results and financial condition for a particular period and impact its credit ratings.

### **Enforcement Risk**

Due to the exclusive Swiss jurisdiction in relation to claims of the Holders versus the Issuer, acting on behalf of its Cells, and the offshore domicile of the Issuer in Guernsey, Swiss court decisions against the Issuer, acting on behalf of its Cells, will potentially have to be recognized and enforced in Guernsey. There is a certain risk that such a decision will not, or not fully, be deemed enforceable in a Guernsey insolvency or enforcement proceeding by a Guernsey court or other authority.

### **Dependence on Key Personnel**

The Issuer (or the Investment Manager (if any)) is managed by, and is dependent on, a small management team. Should the management team of the Issuer (or the Investment Manager (if any)) or any number of its members depart or otherwise become unavailable, the Issuer (or the Investment Manager (if any)) may have significant difficulty operating its core business, which may result in the inability of the Issuer (or the Investment Manager (if any)) to continue as a going concern.

### **Major Shareholders**

Shares in the Issuer are highly concentrated, with 100% of the voting shares issued by the Issuer in respect of its core being held by Albecq Trustees Limited as trustee of the CapStone Purpose Trust. Albecq Trustees Limited as trustee of the CapStone Purpose Trust has the ability to remove any and all members of the board of directors of the Issuer with a majority vote. As such, the shareholder of the Issuer has significant influence on the management of the Issuer. There can be no assurance that the shareholder will exercise their voting right in a manner that benefits Investors.

### **Counterparty Risk**

The Issuer will be exposed to the credit risk of a number of counterparties with whom the Issuer transacts, including, but not limited to, the Custodian, the administrator, paying agents, or brokers. Consequently, the Issuer is exposed to risks, including credit risk, reputational risk and settlement risk, arising from the failure of any of its counterparties to fulfil their respective obligations, which, if any such risks occur, may have a material adverse effect on the Issuer's and/or the Cells' business and financial position. No party, including the Custodian or Issuer, is liable for the loss of the Underlyings or Collateral Assets (as defined below) due to such counterparty risks.

With respect to the Custodian, the Issuer, acting on behalf of the Cells, will be exposed to the credit risk of depositary institutions with whom it holds cash and assets. Credit risk, in this case, is the risk that the custodian holding a financial instrument (cash or assets) will fail to fulfil an obligation or commitment to the Issuer, acting on behalf of the Cells. A Cell's assets are maintained by the Custodian in segregated accounts, which are intended to be protected in the event of insolvency of the Custodian.

However, any insolvency of the Custodian may result in delayed access to assets serving as Underlyings, including those serving as collateral for any Securities. In such a situation, Investors may face a loss due to asset price fluctuation. Since the primary Custodian also acts as the Guarantor for Guaranteed Securities, Investors in Guaranteed Securities, in case of insolvency of the Custodian also acting as Guarantor, are also exposed to the guarantor risk. Furthermore, the value of the cash held with the Custodian (and included in the Collateral Assets) will be reduced to the amount of the distributions (if any) made to unsecured creditors of the Custodian by the relevant liquidator, receiver or bankruptcy administrator. Such distributions are generally made only after several months or years and may represent a very low percentage of the respective claims of the Custodian's creditors.

## **B. RISK FACTORS RELATING TO THE SECURITIES**

This section of the Base Prospectus should be read and construed with any supplement hereto and with any other documents (and any supplement thereto) incorporated by reference into this Base Prospectus and, in relation to any tranche of Securities, with additional and/or amending risk factors set out in the relevant Final Terms.

## I. General Risk Factors relating to the Securities

### Investors Risk of losing all of their Investment in the Securities

Potential investors should be aware that depending on the terms of the relevant Securities (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of principal protected Securities, they may lose all or a substantial portion of their investment if the value of the Underlying Asset(s) does not move in the anticipated direction.

If and to the extent that the Securities have the benefit of a capital protection (as specified in the relevant Final Terms), they will be redeemed at an amount which is equal to the percentage of the nominal amount specified in the relevant Final Terms. A capital protection may apply at a level below, at, or above the nominal amount of the relevant Securities. No capital protection will be provided for Securities that are redeemed prior to their maturity or in the case of a redemption following the occurrence of certain early redemption or termination events as further specified in this Base Prospectus or in the Final Terms. Even if the Securities are capital protected, each Holder is advised to take into account the creditworthiness and, ultimately, the insolvency and credit risk related to the Issuer and, where applicable, the Guarantor. If the insolvency or credit risk related to the Issuer or, as the case may be, Guarantor materializes, the Holders may sustain a partial or total loss of the amount of their initial investment in the Securities notwithstanding any capital protection. Furthermore, potential investors must be aware that the protection only applies if the relevant Securities are held until their maturity. Finally, potential investors should note that, in respect of the Guaranteed Securities, the Guarantee will only extend to the liabilities of the Issuer under the Guaranteed Securities; if such Securities do not benefit from capital protection, the liability of the Issuer and the Guarantor will be determined by reference to the current value of the Underlying Assets.

### Limited Recourse Obligations

Potential investors should recognise that the Securities are limited recourse debt obligations of the Issuer, acting on behalf of a Cell. All payment obligations of the Issuer, acting on behalf of a Cell, under the Securities constitute obligations exclusively to make payments in an amount limited to the Collateral Assets available to the relevant Cell. The Securities shall not give rise to any payment obligation in excess of the Collateral Assets and any accrued claims against the Issuer, acting on behalf of a Cell, shall not become due, and recourse shall be limited, accordingly. Once all Collateral Assets have been realized and distributed, the Issuer, acting on behalf of a Cell, shall not be committed to any further payments and the right of the Investors to receive any such amount shall be extinguished. In accordance with the applicable Final Terms, potential investors should be aware that they agree that they will not, in relation to the Securities, initiate or join any person in initiating insolvency proceedings or the appointment of an insolvency official in relation to the Issuer. Accordingly, the exercise of the Investors' rights vis-à-vis the Issuer is substantially restricted.

Nevertheless, in case of Guaranteed Securities, potential investors will continue to be able to claim against the Guarantor in respect of any unpaid amount (which may also act in another capacity, e.g. as the calculation agent) under the Guarantee provided for this specific Guaranteed Security. As a consequence, prospective investors in Guaranteed Securities should note that in such case the entitlement of the Holders will be limited to the sums obtained by making a claim under the Guarantee, and the relevant provisions of the Guarantee.

### Interest Rate Risk

The interest rate risk is one of the central risks of interest bearing securities. The interest rate level on the money and capital markets may fluctuate on a daily basis and cause the value of the Securities to change on a daily basis.

The market interest level is strongly affected by public budget policy, the policies of the central bank, the overall economic development and inflation rates, as well as by foreign interest rate levels and exchange rate expectations. However, the importance of individual factors cannot be directly quantified and may change over time.

The interest rate risk may cause price fluctuations during the term of the Securities. The longer the remaining term until maturity or the date of redemption, as applicable, of the Securities, the greater the price fluctuations.

**In case the market interest rate levels are or become negative, the value of the Securities may decrease and investors will have to bear the risk of loss of capital invested. The Securities are not**



**subject to a government guarantee or government compensation or insurance scheme, do not have the benefit of any government guarantee and are not subject to authorisation by the FINMA.**

An investment in the Securities will not be covered by any compensation or insurance scheme (such as a bank deposit protection scheme) of any government agency in Switzerland or any other jurisdiction and the Securities do not have the benefit of any government guarantee.

The Securities are obligations of the Issuer acting in respect of the relevant Cell and, in case of Guaranteed Securities, of the Guarantor only and Holders must look solely to the Issuer, acting on behalf of its relevant Cell, or, as the case may be, to the Guarantor for the performance of the Issuer's, acting on behalf of its relevant Cell, or the Guarantor's obligations under the Securities. In the event of the insolvency of the Issuer or, as the case may be, of the Guarantor, a Holder may lose all or some of its investment therein.

Neither the Securities nor the Issuer are governed by the CISA or supervised by FINMA. Accordingly, potential investors do not have the benefit of the specific investor protection provided under the CISA. Potential investors should be aware that they are exposed to the credit risk of the Issuer and/or each of the Cells and, in case of Guaranteed Securities, of the Guarantor, and that the collateralization of the Securities (if any) does not fully eliminate this risk.

### **Reinvestment Risk**

Holders may be exposed to risks connected to the reinvestment of cash resources freed from the Securities, in particular as a result of an early redemption of the Securities. The return a Holder will receive on the Securities not only depends on the market value of, and payments or other benefits to be received under the Securities, but also on whether or not such payments or other benefits can be reinvested on the same or similar terms as provided for under the Securities. Holders must be aware that they may incur additional transaction costs as a consequence of reinvesting any proceeds received upon early redemption.

### **Holders will have to rely on the Procedures of the relevant Clearing Systems for Transfer, Payment and Communication with the Issuer, the Guarantor (if any) or any Agent**

As the Securities may be held by or on behalf of Euroclear, Clearstream Frankfurt, Clearstream Luxembourg and/or SIX SIS or by or on behalf of any other relevant clearing system, Holders will have to rely on the procedures of the relevant clearing system(s) for transfer, payment and communication with the Issuer and/or the Guarantor (if any) or any agent. Neither the Issuer, acting on behalf of itself or its relevant Cell, and the Guarantor (if any) nor any agent or any of their respective affiliates shall be held liable under any circumstances for any acts and omissions of any relevant clearing system or for any losses incurred by a Holder as a result of such acts or omissions.

### **Inflation Risk**

The real yield of an investment is reduced by inflation, i.e. future money depreciation. Consequently, the higher the rate of inflation, the lower the real yield on the Securities will be. If the inflation rate is equal to or higher than the yield under the Securities, the real yield on the Securities will be zero or even negative. Further, the real economic value of the amount to be received at the redemption of the Securities (if any) will be influenced by the rate of inflation and the term of the Securities. Consequently, the higher the rate of inflation and the longer the term of the Securities, the lower the real economic value of any redemption payments (if any).

### **Purchase of Securities on Credit**

Holders financing the purchase of the Securities with a loan or loans must be aware that, should their expectations fail to materialize, they would not only have to bear the loss resulting from the investment in the Securities, but also have to pay interest on the loan(s) as well as repay the principal amount of such loan(s). Therefore, Investors must assess their financial situation in advance in order to determine whether they would be able to pay the interest on the loan(s) and/or repay the loan(s) on demand should they incur losses instead of realizing the anticipated profit when investing in the Securities.

### **The Market Value of the Securities may be subject to various negative Impacts**

Many economic and market factors will influence the market value of, and the expected return (if any) on, the Securities. In general, the value of the asset(s) which serve as underlying of the Securities on any day will likely affect the value of the Securities more than any other single factor. However, Holders should not expect the market value of the Securities in the secondary market (if any) to vary in proportion to changes in the market value of such underlying asset(s). The market value of the Securities will be affected by a number of

other factors, some or all of which are unpredictable and/or beyond the Issuer's control, and which may offset or magnify each other, including, but not limited to:

- supply and demand trends and market prices at any time for the Securities or any asset(s) which serve(s) as underlying of the Securities;
- the creditworthiness or perceived creditworthiness of the Issuer and the Guarantor (if any), including actual or anticipated downgrades in their respective (future) credit ratings;
- the actual and expected frequency and magnitude of changes in the value of the asset(s) which serve as underlying of the Securities (i.e., volatility);
- the remaining time to maturity of the Securities (generally, the longer the time-to-maturity of the Securities, the greater the impact of changes in interest rates, credit spreads and other factors on the market value of the Securities and thus the greater its volatility);
- for Securities with a share/shares, a basket of shares or a share index as underlying, the dividend rate on such share(s), the shares contained in the relevant basket or the shares underlying such index (while not paid to the Holders, such dividend payments may influence the market value of the relevant share(s), shares contained in the relevant basket or shares underlying the relevant index and the market value of options on such share(s) and therefore affect the market value of the Securities);
- the occurrence of certain corporate events with respect to asset(s) which serve as underlying of the Securities;
- interest rates in the market generally as well as in the markets of any asset which serves as underlying of the Securities;
- economic, financial, political, terrorist, military, regulatory, geographical, agricultural, meteorological or judicial events that affect the Issuer, any asset(s) which serve(s) as underlying of the Securities or the (financial) markets generally;
- for Securities with a basket of assets as underlying, changes in the correlation (the extent to which the value of such assets increase or decrease to the same degree at the same time) between the assets contained in the basket;
- the exchange rates and the volatility of the exchange rates between the currency of denomination of the Securities and the currencies in which the asset(s) which serve(s) as underlying of the Securities are traded; and
- the liquidity in the market (in situations where the financial markets in general or in respect of the Issuer or the asset(s) serving as underlying of the Securities become illiquid, the bid/offer spreads in financial instruments are increasing and the market value of the Securities is expected to fall).

Some or all of these factors will influence the price an Investor will receive if it chooses to sell its Securities prior to maturity. The impact of any of these factors may enhance or offset any change resulting from another factor or factors. A Holder may have to sell its Securities at a substantial discount from the original purchase price and may lose some or all of its initial investment.

#### **No Obligation of the Issuer to make a Secondary Market and General Illiquidity Risk**

Potential investors should note that there may be little or no secondary market for the Securities. Even in case a secondary market develops, (i) it may not provide enough liquidity to allow an Investor to trade or sell the Securities easily, (ii) it is not possible to predict the prices at which the Securities will trade in such secondary market and (iii) there is no assurance that such secondary market will continue. Subject to the rules of any applicable securities exchange, neither the Issuer nor any of its affiliates is under an obligation to provide a bid or offer price for the Securities. Therefore, Holders may not be able to sell the Securities easily or at prices reasonably acceptable to them and potential investors should only invest in the Securities if they can hold them until their maturity date.

Unless otherwise specified in the relevant Final Terms, the Securities will not be listed on any securities exchange. As other market makers will likely not participate significantly in the secondary market for the Securities, the price at which Holder may be able to trade the Securities is likely to depend on the price, if any, at which the Issuer or the calculation agent is willing to purchase the Securities. Consequently, if Holders are able to sell the Securities held by them, it may be at a price that is substantially lower than their actual value at the time of such sale, which may lead to (substantial) losses to those Holders.

If a Holder receives a bid price for the Securities, it may be significantly different from prices determined by pricing models used by the Issuer or other dealers or market participants. Therefore, if the Issuer provides valuations to Holders which are generally based on such models, Holders should not assume that they will be able to dispose of the Securities at prices equal or even close to such valuation.

### **Risk of the Securities being requalified as Collective Investment Schemes**

While the Issuer believes that current rules and regulations do not affect the Securities or the Issuer in many countries, no assurance can be given that the Securities will remain subject to a qualification as debt instruments rather than collective investment schemes in Switzerland or other countries. Thus, it cannot be excluded that the Securities will be re-qualified as collective investment scheme by a court or a supervisory authority at any time in the future or that they may qualify as collective investment schemes in other jurisdictions. Any such (re-)qualification or change of characterization may have adverse consequences including, among others, the prohibition or limitation of an offer of Securities, which may result in a termination and redemption of the Securities and related costs for the Holders. Any such regulatory change, termination or redemption of the Securities may, in turn, result in the inability to sell the Securities and/or disruption to the pricing of the Securities.

### **Legality of Purchase**

Neither the Issuer, acting on behalf of itself or its relevant Cell, and/or the Guarantor (if any) nor any agent or any of their respective affiliates have or assume responsibility for (i) the lawfulness of the acquisition of the Securities by Investors or (ii) the compliance by Investors with any law, regulation or regulatory policy applicable to them.

### **The Market Value of the Securities may be highly volatile**

The price, performance or investment return of the asset(s) serving as underlying of the Securities may be subject to sudden, large and unpredictable changes over time and this degree of change is known as "volatility". The volatility of an underlying asset may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities.

### **There may be Price Discrepancies with respect to the Securities as between various Dealers or other Purchasers in the Secondary Market**

If at any time a third party dealer quotes a price to purchase Securities or otherwise values Securities, that price may be significantly different (higher or lower) from any price quoted by the Issuer. Furthermore, if an Investor sells its Securities, it will likely be charged a commission for secondary market transactions, or the price may reflect a dealer discount.

### **Securities listed on a Securities Exchange may be suspended from Trading**

Securities exchanges usually provide for rules regarding the admissibility of asset(s) to serve as underlying of structured products which are to be listed on such security exchange. It cannot be ruled out that during the lifetime of Securities which are listed on a security exchange, the underlying(s) of the relevant Securities do not meet the relevant requirements anymore, which may lead to a suspension from trading or even a delisting of the relevant Securities. In addition, it cannot be ruled out that Securities which are listed on a security exchange will be suspended from trading or delisted from the relevant securities exchange for any other reason.

### **The Issue Price of the Securities may be more than the Market Value of such Securities as at the Issue Date**

The original issue price of the Securities may be higher than the market value of the Securities as at the issue date (as determined by reference to proprietary pricing models based upon well recognised financial principles used by the Issuer and/or the calculation agent). In particular, the issue price may include projected profits as well as fees (including, without limitation, subscription fees, placement fees, discretion fees and structuring fees), embedded commissions and other additional costs payable to the relevant dealer(s) and/or

distributors. The price at which a potential bidder (including, without limitation, the Issuer) may be willing to purchase the Securities in the secondary market (if any), all other factors being equal, is likely to be less than the original issue price, since the latter included, and secondary market prices are likely to exclude, those projected profits, fees, commissions and other costs. As a consequence, the spread between bid and offer prices, to the extent observable, are likely to be widened. In addition, potential investors must take into account any follow-up costs (such as custody fees). Potential investors should inform themselves about any additional costs incurred in connection with their investment as well as the custody or sale of the Securities before taking any investment decision.

**The Securities may be redeemed or terminated (as applicable) prior to their Scheduled Maturity for various unforeseen reasons, and in such case Investors may receive back less than their Original Investment**

The Securities may be redeemed or terminated (as applicable) prior to their scheduled maturity for a number of reasons, which include:

- the occurrence of a mandatory early redemption event (such as, without limitation, the price or level of the asset(s) which serve(s) as underlying of the Securities rises above or falls below a pre-defined barrier level), if specified as applicable in the relevant Final Terms of the Securities;
- the exercise by the Issuer of a call option, if specified as applicable in the relevant Final Terms of the Securities;
- the exercise by the Holder of a put option, if specified as applicable in the relevant Final Terms of the Securities;
- the occurrence of any early redemption event or similar event leading to an early redemption or termination set forth in this Base Prospectus or in the Final Terms; or
- the occurrence of an event of default with respect to the Issuer in respect of the relevant Cell.

On early redemption or termination due to any of the circumstances described above or such other circumstances as described in this Base Prospectus or the relevant Final Terms, each Holder will receive (subject in the case of an occurrence of an event of default with respect to the Issuer to claims of other creditors) an amount which may be less than the original purchase price of the Securities and could be as low as zero. None of the Issuer (acting for itself or the relevant Cell), the Lead Manager or any agent has any liability vis-à-vis the Holders for any losses incurred by them as a consequence of such an early redemption or termination.

**Risks relating to the occurrence of Disruption and Illiquidity Events**

The Securities may be subject to disruption and illiquidity events as described in more detail in other sections of this Base Prospectus or in the Final Terms. The calculation agent or, as the case may be, the Issuer or the paying agent may determine in its sole and absolute discretion whether a disruption or illiquidity event has occurred or exists at any time during the lifetime of the Securities. Any such determination may lead to (i) a postponement or suspension of any payment(s) or delivery/-ies under the Securities, (ii) a change of any rate, quote, price or other information that is required to make a determination with respect to the Securities (in particular, but not limited to, the determination of the redemption amount), (iii) a redemption of the Securities on a date occurring earlier or later than the scheduled maturity and/or (iv) a redemption which is made in another way as envisaged (e.g. by physical delivery of assets instead of a cash settlement or vice versa). Any such determination may have an adverse effect on the value and/or the secondary market prices (if any) with respect to the Securities. None of the Issuer, the Lead Manager or any agent has any liability vis-à-vis the Holders for any losses incurred by them as a consequence of the determination that a disruption or illiquidity event has occurred.

**The calculation agent may have broad Discretionary Authority to make Determinations and Adjustments under the Securities, any of which may have an Adverse Effect on the Market Value thereof**

Depending on the type of the respective Securities, the calculation agent may have broad discretionary authority to make various determinations and adjustments under the Securities, any of which may have an adverse effect on the market value thereof or any amounts payable or other benefits to be received thereunder. Any such discretion exercised, or calculation made by, the calculation agent (in the absence of proven

or manifest error) shall be final and binding on the Issuer and the Holders, notwithstanding the disagreement of the latter or other financial institutions, rating agencies or commentators. The calculation agent is required to act in good faith and in a commercially reasonable manner but does not have any obligations of agency or trust towards the Holders nor is it acting in a fiduciary capacity for the Holders. In particular, the calculation agent and any of its affiliates may have interests which are not aligned to the interests of the Holders when acting in other capacities (such as other business relationships and activities).

#### **Holders may be exposed to Exchange Rate Risks**

The settlement currency of the Securities may not be the currency of the home jurisdiction of an investor therein. In this case, the relevant Holder will be exposed to the performance of the settlement currency including, if applicable, the relative performance of the settlement currency and the currency or currencies of the asset(s) which serve as underlying of the Securities. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets, which on the other hand are influenced by macroeconomic factors, speculation and central bank and government intervention. Exchange rate fluctuations between a Holder's home currency and the settlement currency may adversely affect Holders who intend to convert gains (if any) or losses from the sale of the Securities into their home currency and may eventually cause a partial or total loss of the relevant Holder's initial investment.

As there is no centralized market for interbank foreign exchange trading, the determination of the value of the spot rate will, if applicable, be made by reference to Bloomberg, Reuters or other electronic data providers available at the relevant time or based on hedging transactions traded by the Issuer and/or its affiliates in the interbank foreign exchange. Due to the high volatility in foreign exchange rates, the spot rate may have been determined at a time at which it was disadvantageous for the Holders. Neither the Issuer nor any agent or any of their respective affiliates has any obligations or responsibility vis-à-vis the Holders in this respect and will not review any other source of information on transactions in the relevant spot exchange rates.

Where the calculation of any amount payable under the Securities involves a currency conversion, fluctuations in the relevant exchange rate will directly affect the market value of the Securities and the risk of loss may not depend solely on the behaviour of the asset(s) referenced by or other features of the Securities.

#### **The Yield on the Securities may be less than the Yield on Conventional Debt Securities of Comparable Maturity**

Any yield that a Holder may receive on the Securities (which could be negative), may be less than the return a Holder would earn if it purchased a conventional debt security with the same maturity date. As a result, an investment in the Securities may not reflect the full opportunity cost to a Holder when factors that affect the time value of money are considered.

#### **Fluctuations in the Market Value of Securities issued at a substantial Discount or Premium**

The market values of Securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### **Certain Information may not be known at the Beginning of an Offer Period**

At the commencement of an offer/subsorption period in respect of a relevant tranche of Securities but prior the issue date, certain information relating to such Securities (such as, without limitation, certain amounts, levels, percentages, prices, rates or values used to determine or calculate amounts payable or assets deliverable in respect of the Securities) may not be fixed or determined. In these cases the relevant Final Terms will specify in place of the relevant amounts, levels, percentages, prices, rates or values, as applicable, such indicative amounts, levels, percentages, prices, rates or values, as applicable, or an indicative range thereof.

The actual amounts, levels, percentages, prices, rates or values, as applicable, will be determined by the calculation agent based on market conditions but otherwise in its sole and absolute discretion on or around the end of the offer/subsorption period and may be the same as or different from any indicative amount specified in the applicable Final Terms.

Prospective investors will be required to make their investment decision based on the indicative amounts or indicative range rather than the actual amounts, levels, percentages, prices, rates or values, as applicable, which will only be fixed or determined at the end of the offer/subsorption period after their investment decision is made but will apply to the Securities once issued.

If the applicable Final Terms specify an indicative range of amounts, levels, percentages, prices, rates or values, as applicable, prospective investors should, for the purposes of evaluating the risks and benefits of an investment in the Securities, assume that the actual amounts, levels, percentages, prices, rates or values, as applicable, fixed or determined at the end of the offer/subscription period may have a negative impact on the amounts payable or assets deliverable in respect of the Securities and consequently, have an adverse impact on the return on the Securities (when compared with other amounts, levels, percentages, prices, rates or values, as applicable, within any indicative range). Prospective investors should therefore make their decision to invest in the Securities on that basis.

### **Payments under the Securities may be subject to U.S. withholdings**

Investors in the Securities should be aware that payments under the Securities may under certain circumstances be subject to a U.S. withholding:

#### Withholding under the U.S. Internal Revenue Code

A 30 per cent. withholding tax is imposed on certain "dividend equivalents" paid or deemed paid to a non-U.S. Holder with respect to a "specified equity-linked instrument" that references one or more dividend-paying U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. U.S. Treasury Department regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one ("**Delta-One Securities**") issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018.

The Issuer will determine whether dividend equivalents on the Securities are subject to withholding as of the close of the relevant market(s) on the fixing date. If withholding is required, the Issuer (or the applicable paying agent) will withhold 30 per cent. in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Holders with respect to any such taxes withheld. If the terms and conditions of the Securities provide that all or a portion of the dividends on U.S. underlying equity securities are reinvested in the Underlyings during the term of the Security, the terms and conditions of the Securities may also provide that only 70 per cent. of a deemed dividend equivalent will be reinvested. The remaining 30 per cent. of such deemed dividend equivalent will be treated, solely for U.S. federal income tax purposes, as having been withheld from a gross dividend equivalent payment due to the investor and remitted to the U.S. Internal Revenue Service on behalf of the investor. The Issuer will withhold this amount regardless of whether an investor is a United States person for U.S. federal income tax purposes or a non-United States person that may otherwise be entitled to an exemption or reduction of tax on U.S. source dividend payments pursuant to an income tax treaty.

Even if the Issuer determines that a Holder's Securities are not specified equity-linked instruments that are subject to withholding on dividend equivalents, it is possible that a Holder's Securities could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the relevant underlying or a Holder's Securities, and following such occurrence a Holder's Securities could be treated as specified equity-linked instruments that are subject to withholding on dividend equivalent payments. It is also possible that withholding tax or other tax under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, ("**Section 871(m)**") could apply to the Securities under these rules if a non-U.S. Holder enters, or has entered, into certain other transactions in respect of the relevant underlying. As described above, if withholding is required, the Issuer will withhold 30 per cent. in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Holders with respect to any such taxes withheld.

Additionally, in the event that withholding is required, the Issuer hereby notifies each Holder that for purposes of Section 871(m), that the Issuer will withhold in respect of dividend equivalents paid or deemed paid on the Securities on the dividend payment date as described in U.S. Treasury Department regulations section 1.1441-2(e)(4) and section 3.03(B) of the form of Qualified Intermediary Agreement contained in Revenue Procedure 2017-15, as applicable, regardless of whether such investor would otherwise be entitled to an exemption from or reduction of withholding on such payments (e.g., a United States person for U.S. federal income tax purposes or a non-United States person eligible for an exemption from or reduction in withholding pursuant to an income tax treaty). There is the risk that a Holder will not be able to successfully claim a refund of the tax withheld in excess of the tax rate that would otherwise apply to such payments.

Each Holder acknowledges and agrees that in the event that a Security references an index as the underlying, then regardless of whether the relevant underlying is a net price return, a price return or a total return index, the payments on the Securities (including any amounts deemed reinvested in the Security) will reflect the gross dividend payments paid by the issuers of the securities comprising the index less applicable withholding

tax amounts in respect of such gross dividends, which in the case of U.S. source dividends, will be paid by or on behalf of the Issuer to the U.S. Internal Revenue Service in accordance with the U.S. withholding tax rules under Section 871(m).

Holders should consult with their tax advisors regarding the application of Section 871(m) and the regulations thereunder in respect of their acquisition and ownership of the Securities, including a non-U.S. Holder that enters, or has entered, into other transactions in respect of the relevant underlying.

#### Withholding under FATCA

The Foreign Account Tax Compliance Act ("**FATCA**") generally imposes a 30% U.S. withholding tax on payments of certain U.S. source interest, dividends and certain other fixed or determinable annual or periodical income, on the gross proceeds from the sale, maturity, or other disposition of certain assets after 31 December 2018 and on certain "foreign passthru payments" made after 31 December 2018 (or, if later, the date that final regulations defining the term "foreign passthru payments" are published) made to certain foreign financial institutions (including most foreign hedge funds, private equity funds and other investment vehicles) unless the payee foreign financial institution agrees to disclose the identity of any U.S. individuals and certain U.S. entities that directly or indirectly maintain an account with, or hold debt or equity interests in, such institution (or the relevant affiliate) and to annually report certain information about such account or interest directly, or indirectly, to the IRS (or to a non-U.S. governmental authority under a relevant Intergovernmental Agreement entered into between such non-U.S. governmental authority and the United States, which would then provide this information to the IRS). FATCA also requires withholding agents making certain payments to certain non-financial foreign entities that fail to disclose the name, address, and taxpayer identification number of any substantial direct or indirect U.S. owners of such entity to withhold a 30% tax on such payments.

Accordingly, the Issuer and other foreign financial institutions may be required under FATCA to report certain account information about holders of the Securities directly to the IRS (or to a non-U.S. governmental authority as described above). Moreover, the Issuer may be required to withhold on a portion of payments made on the Securities to (i) holders who do not provide any information requested to enable the Issuer to comply with FATCA, or (ii) foreign financial institutions who fail to comply with FATCA.

Holders holding their Securities through a foreign financial institution or other foreign entity should be aware that any payments under the Securities may be subject to 30% withholding tax under FATCA. If an amount in respect of such withholding tax under FATCA were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. Holders should, consequently, be aware that payments under the Securities may under certain circumstances be subject to U.S. withholding under FATCA and should consult with their tax advisors regarding the application of withholding tax under FATCA in respect of their acquisition and ownership of the Securities.

#### **Legal Investment Considerations may restrict certain Investments**

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Securities are legal investments for it, (ii) the Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the competent regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

#### **Change of Law**

This Base Prospectus and the relevant Final Terms of the Securities are based on Swiss law in effect as at the date of issue of this Base Prospectus and the relevant Final Terms, as applicable. No assurance can be given as to the effect of any possible judicial decision or change to Swiss law or administrative practice after the date of issue of this Base Prospectus and the relevant Final Terms.

#### **Credit Ratings may not reflect all Risks**

One or more independent credit rating agencies may assign credit ratings to the Issuer and/or the Guarantor (if any) or the Securities. The ratings may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. An actual or anticipated suspension, reduction or withdrawal of the credit rating assigned to the Securities by

one or more of the credit rating agencies may adversely affect the cost and terms and conditions of the Issuer's and/or the Guarantor's (if any) financings and could adversely affect the value and trading of the Securities.

#### **Substitution of the Issuer and the Guarantor (if any)**

The Issuer and the Guarantor (if any) may at any time, without the consent of the Holders, be substituted by a substitute issuer or guarantor if the relevant conditions set out in this Base Prospectus are met. Following such substitution, Holders will become subject to the credit risk of the substitute.

#### **Minimum Trading Lot may have the Effect of a Factual Trading Restriction**

Where the relevant Final Terms of the Securities provide for a minimum trading lot, a Holders who holds an amount which is less than the minimum trading lot in its account with the relevant clearing system at the relevant time will not be able to transfer or sell its holding and would need to purchase additional Securities such that its holding amounts to such minimum trading lot to be able to sell or transfer the Securities.

#### **Regulatory Consequences to Holders holding Securities with certain Assets as Underlyings**

There may be regulatory and/or other consequences associated with the ownership by certain Holders of Securities with certain assets as underlying. Each Holder must conduct its own investigation into its regulatory position with respect to a potential investment in Securities, and neither the Issuer, acting on behalf of itself or its relevant Cell, and the Guarantor (if any) nor any agent or any of their respective affiliates assumes any obligation of liability whatsoever to the Holders in this regard.

#### **Transaction Costs and Charges reduce the Value of the Securities**

When the Securities are issued or sold, several types of incidental costs, fees, commissions and profits are included in the purchase price of the Securities. Such costs, fees, commissions and profits may include, without limitation, (i) distribution fees to intermediaries, brokers or other distributors and financial advisors, (ii) commissions paid internally from one department to another department (e.g. sales department) of the Issuer, (iii) hedging costs and brokerage fees incurred by the Issuer in connection with the issuance of the Securities, (iv) a profit priced into the issue price for the benefit of the Issuer and/or (v) other costs incurred by the Issuer in connection with the issuance of the Securities (including, without limitation, costs for external legal and tax advice). Such costs, fees, commissions and profits reduce the value of the Securities in the sense that a potential bid price will exclude such elements and therefore is likely to be lower than the issue price or offer price of the Securities.

#### **Changes in Tax Law and Tax Call**

The Swiss tax considerations set forth in the Final Terms reflect the view of the Issuer based on the legislation applicable at the date of issuance of the relevant Securities. It cannot, however, be ruled out that the tax treatment by the tax authorities and courts could be interpreted differently or could be subject to changes in the future. Additionally, the tax considerations set forth in the relevant Final Terms may not be used as the sole basis for the decision to invest in the Securities from a tax perspective, as the individual situation of each Investor must also be taken into account. Thus, the considerations regarding taxation contained in the relevant Final Terms do not constitute any sort of material information or tax advice nor are they in any way to be construed as a representation or warranty with respect to specific tax consequences.

In accordance with the terms and conditions set out in this Base Prospectus and the relevant Final Terms, the Issuer may redeem all outstanding Securities early for tax reasons. Accordingly, potential investors should consult their personal tax advisors before making any decision to purchase the Securities and must be aware of and be prepared to bear the risk of a potential early redemption due to tax reasons. None of the Issuer, acting on behalf of itself or its relevant Cell, the Guarantor (if any) and/or the Lead Manager or any of their respective affiliates accepts any liability for adverse tax consequences of an investment in the Securities.

#### **Independent Review and Advice and Investor Suitability**

Prior to entering into a transaction, potential investors should consult their own legal, regulatory, tax, financial, and accounting advisors to the extent they consider necessary, and make their own investment, hedging, and trading decisions (including decisions regarding the suitability of an investment in the Securities) based upon their own independent review and judgment and advice from those advisers they consider necessary. Furthermore, potential investors should conduct such independent investigation and analysis regarding the Issuer and the Guarantor (if any) and all other relevant persons or entities involved in the issuance of the Securities and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Securities.



An investment in the Securities may involve a loss of the capital invested by virtue of the terms and conditions of the Securities even where there is no default or insolvency by the Issuer and/or Guarantor (if any). Investors will at all times be solely responsible for making their own independent appraisal of, and investigation into, the characteristics of the Securities and the business, financial condition, prospects, creditworthiness, status, and affairs of the Issuer and the Guarantor (if any), respectively. None of the Issuer, the Guarantor (if any), the Lead Manager and the paying agent, or any other agent nor any affiliate of any of them (or any person or entity on their behalf) will have any responsibility or duty to make any such investigations, to keep any such matters under review, to provide the Investors with any information in relation to such matters or to advise as to the accompanying risks.

Each Holder is fully responsible for making its own investment decisions as to whether the Securities are fully consistent with its financial needs, objectives and conditions (or the financial needs, objectives and conditions of the person it is acting for), comply and are fully consistent with all constituent documents, investment policies, guidelines, authorisations and restrictions applicable to it (or applicable to the person it is acting for), have been duly approved in accordance with all applicable laws and procedures and are a fit, proper and suitable investment for it (or for the person it is acting for). The Issuer and all of its affiliates disclaim any responsibility to advise Holders of the risks and investment considerations associated with the purchase of the Securities as they may exist at the issue date of the Securities or at any time thereafter. In particular, none of the Issuer, the Lead Manager or any agent nor any affiliate of them are under any obligation (i) to review on behalf of the Holders any aspect of the underlying of the Securities (such as the business, financial condition, prospects, creditworthiness, status and/or affairs of any company issuing shares which serve as underlying of the Securities) or (ii) other than as may be required by applicable rules and regulations relating to the Securities, make available any information relating to the Securities or any public or non-public information they may possess with regard to the underlying of the Securities. Holders will at all times be solely responsible for making their own due diligence and independent appraisal of, and investigation into, such matters. Purchasers of the Securities may not rely on the views or advice of the Issuer for any information in relation to any person other than the Issuer itself.

#### **Methodological Change or Discontinuance of the Determination of Reference Rate(s) or Floating Rate(s)**

The levels of reference rates and floating rates are generally calculated by an independent organization or a governmental authority, often based on information provided by market participants who may include the Issuer. The entity publishing the level of a reference rate or floating rate can modify the calculation method for determining such level or make other methodological changes that could affect any determination or cash flow under the Securities. Such entity may also alter, discontinue or suspend calculation or dissemination of the reference rate or floating rate. Finally, such entity publishing the level of a reference rate or floating rate may take any actions in respect of the reference rate or floating rate without regard to the interests of the Holders, and any of these actions could adversely affect the market value of the Securities.

#### **Product Documentation may be amended without the Consent of the Holders binding all Holders**

Subject as provided below, the Product Documentation may be modified, amended or supplemented by the Issuer without the consent of the Holders if, in the opinion of the Issuer, such modification, amendment or supplement (i) is of a formal, minor or technical nature, (ii) is made to correct or supplement any defective provision in the Product Documentation, (iii) is made to cure any uncertainty or ambiguity, (iv) is made to cure a manifest or proven error, (v) is made to correct an error or omission which would, in the absence of such correction, result in the Product Documentation not representing the intended terms of the Securities on which the Securities were sold and have since traded, or (vi) will not materially and adversely affect the interests of the Holders.

Furthermore, the Issuer is entitled to modify, amend or supplement any provision in the Product Documentation where the relevant Final Terms or this Base Prospectus provide for such modification, amendment or supplement or where the Issuer reasonably believes that such modification, amendment or supplement is necessary or appropriate as a result of a change in any law or regulation (or the interpretation thereof) or decisions taken by courts of law or governmental authorities (including, without limitation, any tax ruling of the Swiss Federal Tax Administration or the refusal of the Swiss Federal Tax Administration to issue a tax ruling in connection with the Securities) in Switzerland or any other jurisdiction.

All such modifications, amendments or supplement are conclusive and binding on all Holders in accordance with their terms. The Holders will not be entitled to any compensation from the Issuer (acting on behalf of the core or the relevant Cell) or any agent for any losses suffered as a result of such modifications, amendments or supplements.

## II. Risk Factors relating to Specific Features of the Securities

### General Risks relating to Securities that are Linked to Underlying Asset(s)

#### No Legal or Beneficial Rights in the Underlying Asset(s)

Potential investors should be aware that the relevant underlying asset(s) will not be held by the Issuer for the benefit of the Holders and the Holders will not have any legal or beneficial rights of ownership in the underlying asset(s), including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights in respect of the underlying asset(s). In addition, Holders will have no claim against any share issuer, index sponsor, fund issuer, fund sponsor or any other third party in relation to an underlying asset. Such parties have no obligation to act in the interests of the Holders.

#### The Performance of the Securities may differ significantly from a Direct Investment in the Underlying Asset(s)

Securities which are linked to underlying asset(s) represent an investment linked to the economic performance of the respective underlying asset(s). The return on the Securities (if any) will depend upon the performance of such underlying asset(s) and an Investor should not invest in such Securities if it does not fully understand (either alone, or with the help of any professional advisers) how the performance of the relevant underlying asset(s) may affect the return on the Securities. However, potential investors should be aware that an investment in the Securities is not equivalent to investing directly in the underlying asset(s). Changes in the value of any underlying asset may not necessarily lead to a comparable change in the market value of the Securities. As a result, the performance of the Securities may differ significantly from a direct investment in the underlying asset(s).

#### The Past Performance of an Underlying Asset is not indicative of Future Performance

Any information about the past performance of an underlying asset available at the time of issuance of the Securities should neither be regarded as indicative of any future performance of such underlying asset nor as an indication of the range of, trends or fluctuations in the price or value of such underlying asset that may occur in the future. It is not possible to predict the future value of the Securities based on such past performance.

#### Risks relating to Securities whose Profit Potential Is Capped

Where a formula used to determine any amount payable and/or non-cash consideration deliverable with respect to the Securities contains a cap, the ability of the Holders to participate in any change in the value of the asset(s) which serve(s) as underlying of the Securities over the term of the Securities will be limited, no matter how much the level, price, rate or other applicable value of the respective asset(s) may rise beyond the cap level of the lifetime of the Securities. Accordingly, the return of the Holders on the Securities may be significantly less than if they had purchased such asset(s) directly.

#### A Leverage Feature increases the Potential Loss (or Gain) on the Securities

Where a formula used to determine any amount payable and/or non-cash consideration deliverable with respect to the Securities contains a multiplier or leverage factor (whether implicit or explicit) greater than one, the percentage change in the value of the Securities will be greater than any positive and/or negative performance of the asset(s) which serve(s) as underlying of the Securities. Securities which include such a multiplier or leverage factor represent a very speculative and risky form of investment, since any loss in the value of the asset(s) which serve(s) as underlying of Securities carries the risk of a disproportionately higher loss on the Securities.

#### A Multiplier or Leverage Factor of less than one means that the Holders will not share in the full performance of the Asset(s) which serve as Underlying(s) of the Securities

Where a formula used to determine any amount payable and/or non-cash consideration deliverable with respect to the Securities contains a multiplier or leverage factor (whether implicit or explicit) of less than one, then the percentage change in the value of the Securities will be less than any positive and/or negative performance of the asset(s) which serve(s) as underlying of the Securities. In such case, the return on the Securities will be disproportionately lower than any positive performance of the asset(s) which serve(s) as underlying of the Securities. Accordingly, the return of the Holders on the Securities may be significantly less than if they had purchased such asset(s) directly.

### Risks relating to Securities with Shares as Underlying

#### Actions by Share Issuer may have a Negative Impact on the Value of the Securities

The issuer of shares which serve as underlying of the Securities is not involved in the issuance of the Securities in any way and has no obligation to consider the interests of the Holders in taking any corporate actions that might negatively affect the value of the Securities. Furthermore, the Issuer will not make any investigation or enquiry in connection with any such share issuer. As a consequence, there can be no assurance that all events occurring prior to the issue date (including events that would affect the adequacy, accuracy or completeness of the publicly available information described in this paragraph or in the relevant Final Terms) that would affect the trading price of the relevant share or shares will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events with regard to the share issuer could affect the market value of the underlying share and consequently the market value of the Securities.

Factors affecting the Performance of the Underlying Shares may Adversely Affect the Value of the Securities

The performance of the shares which serve as underlying of the Securities is dependent upon macroeconomic factors, such as, without limitation, interest and price levels on the capital markets, currency developments and political factors as well as company-specific factors such as earnings position, market position, risk situation, market liquidity, shareholder structure and dividend policy. These factors are not within the Issuer's control and may result in a decline in the value of the Securities.

No Claim or Right whatsoever against the Share Issuer

Securities with shares as underlying do not represent a claim against the share issuer, and, in the event of any loss under the Securities, a Holder will have no right of recourse against the share issuer, nor shall a Holder have any legal, beneficial or other interest whatsoever in the assets of the share issuer. Securities with shares as underlying are not in any way sponsored, endorsed or promoted by any share issuer and such share issuers have no obligation to take into account the consequences of their actions for any Holders.

Holders may receive Physical Settlement of Shares in lieu of Payment of Cash Amounts

Securities with shares as underlying may include the right of the Issuer, subject to the fulfilment of certain conditions, to redeem the Securities at their maturity or prior to their maturity by delivering the underlying shares to the Holders rather than a cash amount. Any investor in such Securities will therefore be exposed to the issuer of the relevant shares and the risks associated with such shares to be delivered. Investors should not assume that they will be able to sell such delivered shares for a specific price after the redemption of the Securities. Under certain circumstances the delivered shares may only have a very low value or may, in fact, be worthless. The respective Investor may also be subject to documentary or stamp taxes and/or other charges in relation to the delivery and/or disposal of such shares. Furthermore, where the physical entitlement due to be delivered to an investor would include a fraction of a share comprising the entitlement of the relevant Investor, such Investor will be entitled to receive an amount in cash in lieu of such fraction as determined by the Issuer or the calculation agent.

Holders will have no Voting Rights or may have no Right to receive Dividends or Distributions in respect of the relevant Shares

Except as provided in the relevant Final Terms, holders of Securities with shares as underlying will not have voting rights or any other rights with respect to the relevant shares to which such Securities relate. Similarly, the relevant Holders will not have the right to receive dividends or distributions except if otherwise provided in the relevant Final Terms. As a result, the return on the Securities may not reflect the return an investor would realise if it actually owned those relevant shares and received the dividends paid or other distributions made in connection with them.

**Risks relating to Securities with Commodities as Underlying**

Commodity Prices may change unpredictably, affecting the Value of Commodities and the Value of Securities with Commodities as Underlying in Unforeseeable Ways

Trading in commodities is speculative and may be extremely volatile. Commodity prices may be influenced by many unpredictable factors which include, without limitation, changes in supply and demand relationships, weather patterns and extreme weather conditions, environmental disasters, governmental programs and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programs and changes in interest and exchange rates. Commodities markets are subject to temporary distortions or other disruptions due to various factors, such as lack of liquidity, the participation of speculators and government regulation and intervention. These factors may affect the market value of Securities with commodities as underlying in varying ways, and different factors may cause the prices of commodities and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

### Holders of Securities with Commodities as Underlying may bear an (implicit) Currency Exchange Risk

The majority of commodities are traded globally on specialized exchanges or directly between market participants over-the-counter by means of standardized contracts. The majority of commodities are usually traded in U.S. dollars. Accordingly, holders of Securities with commodities as underlying may bear an (implicit) currency exchange risk between the currency in which the relevant commodities are traded and the settlement currency of the Securities.

### Commodities are traded 24 hours a day leading to the Risk that Events or Factors relevant in connection with the Securities occur outside of the Business Hours of the place where the Securities are offered and/or traded

Investors should be aware that commodities are traded 24 hours a day as a result of the time zones of Australia, Asia, Europa and America. For this reason, it is possible that an event that is material with respect to the specific Securities or a factor relevant for the determination of any right granted by the Securities may occur or be determined outside the business hours of the place where the Securities are offered and/or traded.

### Commodities may potentially become subject to additional Regulation in the Future

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Issuer (directly or through its affiliates) to hedge its obligations under the Securities. Such legal and regulatory changes could lead to the early redemption or termination of the Securities or to the adjustment of the terms and conditions of the Securities. Commodities are subject to legal and regulatory regimes in different jurisdictions that may change in ways that could adversely affect the value of the Securities.

### **Risks relating to Securities with a Basket as Underlying that comprises a number of Underlying Assets**

#### Exposure to the Performance of the Basket and its Components

Where Securities have a basket of assets as underlying, Holders are exposed to the performance of each underlying asset comprised in the basket and should refer to the relevant risk section relating to each of the asset classes represented.

#### A high Correlation of Basket Components may have a Significant Effect on Amounts Payable

Investors should consider the level of interdependence (or correlation) between each of the basket components with respect to the performance of the basket. If, for example, all of the basket components originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may, however, not be determinative of future rates of correlation. Potential investors should be aware that, though basket components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general economic downturn or other economic or political event. Where the basket components are subject to high correlation, any move in the performance of the basket components will exaggerate the performance of the Securities.

#### Risks associated with Baskets with few Constituents or with unequally Weighted Baskets

Potential investors should be aware that the performance of a basket with fewer constituents will be more affected by changes in the values of any particular basket component than a basket with a greater number of basket components. In addition, potential investors should note that the performance of a basket that gives a greater weight to certain basket components as compared to other basket components will be more affected by changes in the value of the basket components having such greater weight than a basket which apportions an equal weight to each basket component. Potential investors should further be aware that, even in the case of a positive performance of one or several basket components, the overall performance of the basket may be worse or even negative if the performance of the other basket components is negative to a greater extent.

#### A change in the Composition of a Basket may have an Adverse Effect on the Performance of the Securities

Where the Securities grant the calculation agent or a basket adviser the right, in certain circumstances, to adjust the composition of the basket, potential investors should be aware that any replacement basket component may perform differently from the original basket component, which may have an adverse effect on the performance of the basket which will in turn have an adverse effect on the value of the Securities.

### **Risks relating to Securities with an Index or Indices as Underlying**

#### Factors affecting the Performance of Indices may adversely affect the Value of the Securities

Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets. Accordingly, the performance of an index is dependent upon the macroeconomic factors relating to the index components, which may include interest and price levels on the capital markets, currency developments, political factors and, in case of shares, company-specific factors such as earnings position, market position, risk situation, market liquidity, shareholder structure and dividend policy. If an index does not perform as expected, this will materially and adversely affect the value of the Securities.

An investment in Securities with an Index or Indices as Underlying entails different Risks than a Direct Investment in the Underlyings of the respective Index or Indices

The return payable or deliverable on any Securities with an index or indices as underlying may not reflect the return that an investor would realise if it actually owned the relevant assets comprising the components of the index or owned a different form of interest in the relevant index. For example, if the relevant components of the index or indices are shares, the closing index level on any specified valuation date will reflect the prices of such index components without taking into account any dividend payments on those component shares, unless the relevant index takes such dividends into account for purposes of calculating the relevant index level. Similarly, Investors in Securities with an equity index or equity indices as underlying will not have any voting rights in the underlying shares. Accordingly, Investors in Securities that reference an index or indices may receive a lower payment upon redemption or settlement of such Securities than any return such an Investor would have received if it had invested in the components of the index or indices directly or other comparable instruments linked to the index.

A change in the Composition, Methodology or Policy used in compiling the Index could Adversely affect the Market Value of the Securities

The index sponsor may add, delete or substitute the components of an index at its discretion and may also alter the methodology used to calculate the level of the index. These events may have a detrimental impact on the index level, which in turn could have a negative effect on payments to be made to the Holders. The sponsor of any underlying index may also alter, discontinue or suspend calculation or dissemination of the relevant index. Holders should be aware that the sponsor of an index will generally have no involvement in the offer and sale of the Securities and will have no obligation to the Holders. Consequently, it may take any actions in respect of such index without regard to the interests of the Holders, and any of these actions could adversely affect the return on the Securities.

None of the Issuer, any of its Affiliates or any Agent is liable for the Actions or Omissions of the Sponsor of an index, any Information concerning an Index, the Performance of such Index or use thereof in connection with the Securities

None of the Issuer, any of its affiliates or any agent is liable to the Holders for any act or failure to act by an index sponsor in connection with the calculation, adjustment, or maintenance of any index linked to the Securities. Although the calculation agent will obtain information concerning an index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, any of its affiliates or any agent as to the accuracy, completeness, and timeliness of information concerning any underlying index. In addition, none of the Issuer, any of its affiliates or any agent makes any representation whatsoever, whether express or implied, as to the performance of an index which is linked to the Securities, any data included in, or omitted from, such index, or the use of such index in connection with the Securities.

**Risks relating to Actively Managed Certificates (AMCs)**

The risks of an investment in AMCs may be similar to the risks of a direct investment in the Underlying/Collateral Assets. The performance of an AMC depends on the performance of the Underlyings, the good standing and solvency of the Custodian with which cash positions are held for the AMC, the quality of the decisions made by the Investment Manager, and the investment techniques applicable to a specific AMC. Furthermore, it is not certain that all adjustments of the Underlyings intended by the Investment Manager may be implemented and its expectations regarding the development of the value of the AMC will be fulfilled. A total loss of the investment may occur if the Underlyings become worthless and the value of the AMC decreases to zero.

The risks listed under this title may materialize for one or several Underlyings/Collateral Assets. The probability of an occurrence and the expected magnitude of the adverse impact on the AMC depends on the composition of the AMC and the weighting of the Underlyings/Collateral Assets. The magnitude of the adverse impact on the AMC depends on the weighting of the Underlyings/Collateral Assets for which the risk is materialized. If the AMC replicates a low number of Underlyings/Collateral Assets the diversification of the AMC is lower and vice versa.

Currency Risk

AMCs are designed to track the movement of an investment strategy in relation to the reference currency which may also involve the use of other currencies. However, most trading occurs in USD, CHF or EUR, but can also be done in other currencies. The volatility of the USD, EUR, or CHF or such other currencies will therefore have an impact on the investment of each Investor and each Investor may therefore lose part of or the entire investment.

Investment Management Risk

The market value and the settlement amount of the Securities may depend on an investment strategy if specified in the applicable Final Terms. The investment strategy may be subject to investment guidelines and investment restrictions of the relevant Security. If specified in the applicable Final Terms, an Investment Manager takes investment decisions on the basis of fundamental, technical and/or market specific data with the objective of achieving positive total return. Such Investment Manager takes investment decision at its sole discretion, but within the boundaries set by the investment strategy as specified in the applicable Final Terms and, in particular, the investment guidelines and investment restrictions. There is a risk that the investment decision taken by the Investment Manager lead to a loss.

Risk of Violations of the Investment Guidelines

The investment guidelines or investment restrictions if specified in the applicable Final Terms of the Securities such as AMCs may be breached by the Investment Manager (if any) of such Security. The Issuer cannot entirely exclude that the Investment Manager may make de facto investments that contradict the Base Prospectus, the Final Terms, the investment guidelines or the investment restrictions (e.g., regarding debt financing) as indicated in the applicable Final Terms of a specific Security as for example an AMC. Such violations may have regulatory consequences for the Issuer, the relevant Cell or the Security or increases the risks (and, thus, potential losses) for the Holders. However, the Issuer aims to take adequate measures to prevent such scenarios (which may not always be possible).

Conflicts of Interests

The Issuer, acting on behalf of itself and/or on behalf of the Cells, the Guarantor (in case of Guaranteed Securities), the Investment Manager or other parties involved are or may be acting in various functions with respect to the AMC (e.g., as calculation agent, distributor, etc.). This may lead to potential or actual conflicts of interest. In particular, conflicts of interest could arise if e.g. the Distributor or Investment Manager of AMCs are at the same time the asset manager or investment advisor of the Investor. All these activities could cause certain potential or actual conflicts of interest, could influence the prices of shares or other securities, and could adversely affect the value of the AMCs.

Illegality or Disruption

If specified in the applicable Final Terms and if the Issuer, acting on behalf of itself or on behalf of the Cells, determines that a Cell's performance under any AMC or that any arrangement made to collateralize or hedge a Cell's obligations under any AMC have become illegal or disrupted in whole or in part for any reason, the Issuer, acting on behalf of a Cell, may cancel such AMCs and pay the Holders of each such AMCs an amount equal to the Underlying-Level of such AMCs notwithstanding such illegality or disruption less the cost to such Issuer and/or any of its agents of unwinding any Underlyings or Collateral Assets related hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion.

Tracking Error or Tracking Difference

The application of fees and other adjustments may cause the change in the price per AMC for any given period of time to differ from the change in the prices of the Underlyings. The fact that the AMC basket composition may not be updated continuously may cause the price of the AMC to temporarily differ from the prices of the Underlyings. As a result, Holders may find that the return they achieve from an investment in the AMCs is less than the return they would have achieved from a direct investment in the Underlyings.

Slippage and Execution Costs Risk

The reference price of an Underlying may differ from the price at which the Issuer, acting on behalf of a Cell, is able to purchase or dispose of that Underlying. This may have an impact on the proceeds realized from the sale of that Underlying in a Redemption with a Cash Settlement or cash creations of AMCs. As a result, the Investor in the AMCs may receive less, or substantially less, than if they had purchased or disposed of the Underlyings themselves.

## C. RISKS RELATING TO CONFLICTS OF INTEREST

### **Engagement of the Issuer in Hedging Transactions with respect to its Obligations under the Securities**

In anticipation of the issuance of the Securities, the Issuer acting on behalf of the relevant Cell (either by itself and/or through any of its affiliates or unaffiliated third parties) expects to hedge its obligations under the Securities by taking positions in instruments the value of which is derived from one or more assets which are the underlying of the Securities or the constituents or components of such assets. Further, the Issuer acting on behalf of the relevant Cell or the relevant hedging party may from time to time close out or unwind its hedge by selling any of the foregoing on or before any valuation date under the Securities. Such hedging and hedging related transactions may negatively affect the market price, liquidity or value of the Securities and could be adverse to the interests of the Holders. The Issuer acting on behalf of the relevant Cell (either by itself and/or through any of its affiliates or unaffiliated third parties) may pursue such hedging or related derivatives activities and take such steps as it deems necessary or appropriate to protect its interests without taking into account the interests of the Holders.

### **Possession and Publication of Information related to the Asset(s) which serve as Underlying of the Securities or Constituents or Components of such Asset(s) and/or the Issuer of such Asset(s) or Constituents/Components**

The Issuer and/or certain of its affiliates may from time to time, by virtue of their status as counterparty, underwriter, adviser or any other type of relationship described herein or otherwise, possess, acquire or have access to information relating to the asset(s) serving as underlying of the Securities or constituents or components of such assets and/or the issuer of such assets or constituents/components. Such information may be material in the context of the issuance of the Securities and may or may not be publicly available or known to the Holders. The Securities do not create any obligation on the part of the Issuer or any of its affiliates to disclose to any Holders any such information (whether or not confidential). Furthermore, the Issuer or any of its affiliates may (i) publish research reports on the issuer of asset(s) which serve as underlying of the Securities or constituents or components of such assets; (ii) when holding any underlying asset(s) or constituents or components of such assets, exercise the voting rights with respect to such assets or constituents/components; and/or (iii) engage in any kind of commercial or investment banking or other business with the issuer of asset(s) serving as underlying of the Securities or constituents or components of such assets, and with regard to any of these activities, the Issuer's or any of its affiliate's interests may be adverse to those of the Holder and its or their actions might have an adverse effect on the position of any Holder. In no event shall the Issuer or any of its affiliates be held liable for any losses incurred by Holders.

### **Distributors or other Persons involved in the Offering or Listing of the Securities**

Potential conflicts of interest may exist in connection with the Securities if a distributor placing the Securities or any other person involved in the offering or listing (if any) of the Securities is acting pursuant to a mandate granted by the Issuer or any of its affiliates or receives fees or commissions in relation to the services performed in connection with, or related to the outcome of, the offering or listing of the Securities.

### **Fees for acting in various functions with respect to the Securities and the Underlyings**

Parties (including the Issuer or the Guarantor) acting in one or more function(s) (e.g., as issuer, guarantor, lead manager, calculation agent, paying agent, strategy-manager, distributor, broker, market maker, advisor, investment manager, etc.) with respect to Underlying(s) may receive a fee for such function(s), in addition to the fee(s) received for their function(s) at the Securities level. This may lead to potential or actual conflicts of interest.

## D. FURTHER RISK FACTORS RELATING TO THE SECURITIES

Further risk factors relating to the Securities are set forth in the brochure "Risks Involved in Trading Financial Instruments" published by the Swiss Bankers Association in November 2023 which shall be deemed incorporated by reference in, and form part of this Base Prospectus (see section *Incorporation by Reference* on page 95 of this Base Prospectus for further information).

In addition, the relevant Final Terms prepared in connection with an issue of Securities may amend the risk factors set out above relating to the Securities and may also contain additional risk factors relating to the Securities.

#### IV. Consent to the Use of the Prospectus

The relevant Final Terms may specify that either (a) none of the Distributors and no other financial intermediary, or (b) only one Distributor or financial intermediary or several Distributors and/or financial intermediaries named in the relevant Final Terms ("**Individual Consent**"), or (c) any Distributor and/or financial intermediaries ("**General Consent**") subsequently reselling or finally placing Securities issued under this Base Prospectus is/are entitled to use this Base Prospectus in connection with the subsequent resale or final placement of the relevant Securities. If the relevant Final Terms do not contain any specification as to whether any consent is given for the use of this Base Prospectus by a Distributor and/or financial intermediary, only an Individual Consent for the benefit of the Distributors but no other Individual Consent or General Consent shall be deemed to be given.

If the Issuer, acting on behalf of a Cell, has given its Individual Consent or General Consent to the use of this Base Prospectus, the following shall apply:

- The Final Terms will specify that (in the case of the Issuer's Individual Consent other than an Individual Consent for the benefit of the Distributors only) only one or several Distributors and/or financial intermediaries named in the relevant Final Terms or (in the case of the Issuer's General Consent) each of the Distributors and/or financial intermediaries subsequently reselling or finally placing the Securities issued under this Base Prospectus is/are entitled to use this Base Prospectus (under which the offer of the Securities takes place) in Switzerland for the subsequent resale or final placement of the relevant Securities during the period (a) this Base Prospectus is valid in accordance with article 55 FinSA and (b) the Securities may be offered under this Base Prospectus pursuant to the applicable Final Terms.
- The Issuer, acting on behalf of its relevant Cell, accepts responsibility for the information given in this Base Prospectus also with respect to such subsequent resale or final placement of the relevant Securities for which it has given its Individual Consent or General Consent.

The Base Prospectus may only be delivered to potential investors together with all supplements thereto published before such delivery. Any supplement to this Base Prospectus is available for viewing in electronic form on the website [www.css-pcc.com](http://www.css-pcc.com) or a successor or replacement address thereto.

In the relevant Final Terms, the Issuer, acting on behalf of its relevant Cell, can determine further conditions attached to its consent which are relevant for the use of this Base Prospectus.

When using this Base Prospectus, each Distributor and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in Switzerland and in any other relevant jurisdiction.

**In the event of an offer being made by a Distributor and/or a further financial intermediary the Distributor and/or the further financial intermediary shall provide information to investors on the terms and conditions of the offer at the time of that offer.**

In case the Issuer has given its Individual Consent to the use of this Base Prospectus any new information with respect to any Distributors and/or financial intermediaries unknown at the date of this Base Prospectus or the time the relevant Final Terms were filed with the Review Body will be published on the website specified in the Final Terms.



## V. General Description of the Securities

This section includes a description of the types of Securities which may be issued under this Base Prospectus. The description includes a description of the entitlement and further (generic) features of the Securities, as provided for in the applicable Final Terms. The list of types of Securities set out below is not exhaustive and the Issuer, acting on behalf of its relevant Cell, is free to modify the Securities issued under this Base Prospectus by adding additional features. Additional information on the Securities, including a description of the particular Securities, will be included in the applicable Final Terms.

The Securities offered and/or listed on a regulated or another market under this Base Prospectus may be based on the performance of any kind of underlying, including, without limitation, shares, indices, currencies, interest rates, commodities, funds, reference obligations and baskets thereof or any combination thereof.

For the purposes of the following, it should be noted that any reference to "Underlying" or "Underlying Asset" shall not only refer to single assets (e.g. a share, an index, a non-equity security or a fund unit), but also to baskets or portfolios of assets.

Unless defined otherwise herein, terms used herein shall have the meaning ascribed to them in section VI.G (*Definitions*) of the General Conditions or elsewhere in this Base Prospectus.

The following types of Securities may be issued under this Base Prospectus:

### A. IN GENERAL

The below listed product categories and products features are based on the categories and additional product features used in the "SSPA Swiss Derivatives Map 2023" issued by the Swiss Structured Products Association (SSPA) (see "<https://www.sspa.ch/en>"). The product categories and products features are not universal and, in different markets, different products categories and product features may be used for the same product.

Securities qualifying as "Structured Products" issued under this Base Prospectus may have characteristics which partially or significantly deviate from those of the main product categories described in the following.

**In addition, the Issuer may use different designations or names for features described in section *Description of certain product features* below.**

### B. PRODUCT CATEGORIES

The main categories of Securities qualifying as "Structured Products" that may be issued under this Base Prospectus are described in the following. Additional information on the Securities, including a description of the particular Securities will be included in the relevant Final Terms.

#### Capital Protection Products (SSPA Category 11)

- Capital Protection Note with Participation (1100)
- Capital Protection Note with Barrier (1130)
- Capital Protection Note with Twin-Win (1135)
- Capital Protection Note with Coupon (1140)

#### Yield Enhancement Products (SSPA Category 12)

- Discount Certificate (1200)
- Barrier Discount Certificate (1210)
- Reverse Convertible (1220)
- Barrier Reverse Convertible (1230)
- Conditional Coupon Reverse Convertible (1255)
- Conditional Coupon Barrier Reverse Convertible (1260)

**Participation Products (SSPA Category 13)**

- Tracker Certificate (1300)
- Outperformance Certificate (1310)
- Bonus Certificate (1320)
- Bonus Outperformance Certificate (1330)
- Twin-Win Certificate (1340)

**Investment Products with Additional Credit Risk (SSPA Category 14)**

- Credit Linked Note (1400)
- Conditional Capital Protection Note with additional credit risk (1410)
- Yield Enhancement Certificate with additional credit risk (1420)
- Participation Certificate with additional credit risk (1430)

**Leverage Products (SSPA Category 20)**

- Warrant (2100)
- Spread Warrant (2110)
- Warrant with Knock-Out (2200)
- Mini-Future (2210)
- Constant Leverage Certificate (2300)

For a more detailed explanation of the products, including calculation examples, investors should consult the website [www.sspa.ch](http://www.sspa.ch) (or any successor or replacement address thereto). Investors further should be aware that the SSPA categorization model may be changed from time to time by the SSPA without further notice. The Issuer has no obligation to update or supplement this Base Prospectus in case of such a change in the SSPA categorization model.

**C. DESCRIPTION OF CERTAIN PRODUCT FEATURES**

Securities issued under this Base Prospectus may provide for one or more of the following product features, as the same are used in the "SSPA Swiss Derivatives Map 2023":

AMC	Actively managed certificates (AMC) are Securities whose Underlying(s) is/are actively managed based on a dynamic investment strategy. The composition of the Underlying(s) or may be altered during the lifetime of the Security depending on the predefined investment guidelines/investment strategy (discretionary or rule based).
Asian Option	Uses the average underlying price over a number of predefined periods (monthly, quarterly, annually) rather than the price at a specific time.
Auto-callable	If, on a pre-defined observation date, the price of the Underlying(s) is/are either at or above (bull) or at or below (bear) a pre-defined barrier ("autocall trigger"), the Securities are redeemed prior to the scheduled maturity.
Bearish; with a bear feature	The Security benefits from falling prices of the Underlying(s).
Bullish, with a bull feature	The Security benefits from rising prices of the Underlying(s).
Callable	The Issuer has the right to redeem/cancel the Securities early, however, there is no obligation to do so.
Capped participation	The Securities have a maximum yield.
Conditional coupon	A scenario exists where the coupon is not repaid (coupon at risk) or an unpaid coupon can be recouped at a later date (memory coupon).

COSI	The Issuer of Collateral Secured Instruments (COSI) provides SIX Swiss Exchange with collateral covering their current value. For the investor this means protection in case of issuer default.
European barrier	Only the last-day closing price is relevant for monitoring the barrier.
Floor	The Security has a minimum yield.
Invers	The Securities perform in inverse proportion to the Underlying(s).
Knock-In/Knock-Out Event	Is an event on a relevant valuation day, which causes a breach of a relevant barrier as defined in the terms and conditions of the Security.
Lock-in	If the lock-in level is reached, the minimum repayment is a preassigned amount regardless of future development of the underlying price.
Lock-back	Barrier and/or strike are set with a time delay (look-back phase).
Open-End Securities	Securities without a predefined fixed maturity / term.
Partial Capital Protection	Capital protection is between 90% and 100% of the nominal value.
Participation	Specifies the proportion at which the investor profits from the performance of the Underlying(s). This can be 1:1, disproportionately high or disproportionately low.
Physical delivery	At maturity, depending on the structure of the Security, there may be a physical delivery, i.e. a transfer of the Underlying(s) to the investor's securities account.
Puttable	The investor has the right to return the Security to the Issuer on certain days during the term.
Rebate	The payouts made when a barrier has been breached are referred to as rebates, with the amounts expressed as a percentage of the nominal.
Variable coupon	The coupon amount can vary depending on a predefined scenario.
Worst-of	If a worst-of scenario is triggered, the redemption amount or physical delivery is defined by the Underlying with the worst performance / price development on maturity.

The above list of product features is not exhaustive and a particular Security may have other product features. In addition, the Issuer may use different designations or names for features described in the above list.

## **D. EXPLANATION OF MECHANISM OF CERTAIN PRODUCT TYPES**

### **I. Capital Protection Products (SSPA Category 11)**

"Capital Protection Products" are primarily targeted at investors that (i) expect the value of the Underlying to increase (or, in the case of "Capital Protection Products" with a bear feature, to decrease) but (ii) cannot exclude a sharp decrease (or, in the case of "Capital Protection Products" with a bear feature, a sharp increase) of the value of the Underlying throughout the term.

"Capital Protection Products" provide for a specific minimum redemption amount. The level of the minimum redemption amount represents the level of the capital protection and indicates the percentage of the nominal or par value of the "Capital Protection Product" that the investor will be entitled to at the settlement date. The Issuer sets the capital protection at the time of the issuance and it applies only at the end of the term or at maturity. The minimum redemption amount representing the level of capital protection may be below 100% of the nominal or par value of the "Capital Protection Products" (partial capital protection). Capital protection

therefore does not mean that the investor is entitled to a redemption amount equal to the full nominal or par value of the "Capital Protection Products". The potential loss is limited by the minimum redemption amount, subject to the credit risk of the Issuer.

If Securities qualifying as "Capital Protection Products" are sold before the end of their term or if an early redemption takes place, there is a risk that investors will receive less than the pre-defined capital-protected amount. The capital protection only applies if the respective Securities are held until the end of their ordinary term.

"Capital Protection Products" may be linked to several Underlyings. In this case, the relevant "Capital Protection Products" may offer a higher participation rate or coupon than "Capital Protection Products" linked to just one Underlying.

The product category "Capital Protection Products" includes the following product types:

#### Capital Protection Note with Participation (1100)

"Capital Protection Notes with Participation" are primarily targeted at investors that (i) expect the value of the Underlying and its volatility to increase (or, in the case of "Capital Protection Notes with Participation" with a bear feature, the value of the Underlying to decrease) but (ii) consider a sharp decrease of the value of the Underlying to be possible (or, in the case of "Capital Protection Notes with Participation" with a bear feature, a sharp increase of the value of the Underlying).

"Capital Protection Notes with Participation" allow investors to participate in the performance of the Underlying. If the value of the Underlying has developed favourably (i.e., if the value of the Underlying has increased or, in case of "Capital Protection Notes with Participation" with a bear feature, decreased), the return will exceed the minimum redemption amount.

#### Capital Protection Note with Barrier (1130)

"Capital Protection Notes with Barrier" are primarily targeted at investors that (i) expect the value of the Underlying to increase (or, in the case of "Capital Protection Notes with Barrier" with a bear feature the value of the Underlying to decrease) but (ii) consider a sharp decrease of the value of the Underlying to be possible (or, in the case of "Capital Protection Notes with Barrier" with a bear feature, a sharp increase of the value of the Underlying) and (iii) expect that the value of the Underlying will not increase above (or, in case of "Capital Protection Notes with Barrier" with a bear feature, fall below) the specified barrier throughout the term.

"Capital Protection Notes with Barrier" allow investors to participate in the performance of the Underlying up (or, in case of "Capital Protection Notes with Barrier" with a bear feature, down) to such barrier. If the value of the Underlying has developed favourably (i.e., if the value of the Underlying has increased or, in case of "Capital Protection Notes with Barrier" with a bear feature, decreased), the return will exceed the minimum redemption amount of the "Capital Protection Notes with Barrier" but is limited by the level of the specified barrier. In case of a breach of such barrier, the redemption amount will be reduced but be at least equal to a so-called rebate (or bonus).

#### Capital Protection Note with Twin-Win (1135)

"Capital Protection Notes with Twin-Win" are primarily targeted at investors that (i) expect the value of the Underlying to slightly increase or fall but (ii) consider a sharp decrease of the value of the Underlying to be possible and (iii) expect that the value of the Underlying will not increase above a specified upper barrier and not fall below a specified lower barrier throughout the term.

"Capital Protection Notes with Twin-Win" allow investors to participate in the absolute performance (positive as well as negative performance) of the Underlying within the upper and lower barrier. If the value of the Underlying has developed favourably (i.e., if the value of the Underlying has increased or decreased but not breached either of the barriers), the return will exceed the minimum redemption amount but is limited by the level of the upper and lower barrier. In case of a breach of a barrier, the redemption amount will be reduced but be at least equal to the minimum redemption amount.

#### Capital Protection Note with Coupon (1140)

"Capital Protection Notes with Coupon" are primarily targeted at investors that (i) expect the value of the Underlying to increase (or, in the case of "Capital Protection Notes with Coupon" with a bear feature, the value of the Underlying to decrease) but (ii) consider a sharp decrease of the value of the Underlying to be

possible (or, in the case of "Capital Protection Notes with Coupon" with a bear feature, a sharp increase of the value of the Underlying).

"Capital Protection Notes with Coupon" allow investors to participate in the performance of the Underlying by receiving a periodic coupon payment. The amount of the coupon payment may be fixed or may be variable or conditional and may depend on the value of the Underlying at a specific date prior to each coupon payment date. In case of a variable coupon, the amount of the coupon payment increases (or, in case of "Capital Protection Notes with Coupon" with a bear feature, decreases) if the value of the Underlying has developed favourably (i.e., if the value of the Underlying has increased or, in case of "Capital Protection Notes with Coupon" with a bear feature, decreased). In case of a conditional coupon, the payment of the coupon may depend on the value of the Underlying not breaching a specified barrier (coupon at risk). If such barrier is breached, the investor will not be entitled to a coupon payment on the relevant coupon payment date.

## **II. Yield Enhancement Products (SSPA Category 12)**

"Yield Enhancement Products" are primarily targeted at investors that expect (i) the value of the Underlying to remain constant or to slightly increase (or, in the case of "Yield Enhancement Products" with a bear feature, to slightly decrease) and (ii) volatility of the Underlying to decrease, throughout the term.

"Yield Enhancement Products" provide for a redemption amount that is limited to a maximum amount (cap) and may provide for (fixed or variable) periodic coupon payments during the term. "Yield Enhancement Products" provide for a limited upside potential while at the same time investors may lose all (or a large part) of their invested capital (i.e. the Securities do not provide for any capital protection).

"Yield Enhancement Products" may be linked to several Underlyings and may therefore offer a larger discount or coupon than "Yield Enhancement Products" linked to just one Underlying. "Yield Enhancement Products" linked to several Underlyings may provide that at expiry investors will receive, in case of physical settlement, the Underlying with the worst performance (or the best performance, in case of Securities with a bear feature) since inception or, in case of a cash settlement, a redemption amount linked to the Underlying with the worst performance (or the best performance, in case of Securities with a bear feature) since inception if one of the Underlyings reaches or breaches a predefined threshold during a specific observation period or at a specified date, as the case may be.

The product category "Yield Enhancement Products" includes in particular the following product types:

### Discount Certificate (1200)

"Discount Certificates" are primarily targeted at investors that expect the value of the Underlying to move sideways or to slightly increase (or, in the case of "Discount Certificates" with a bear feature to slightly decrease), with falling volatility.

"Discount Certificates" are issued at a discount, i.e. a discount compared to a direct investment in the Underlying, while the maximum profit is capped. The redemption amount depends on the value of the Underlying at redemption. If the value of the Underlying has developed favourably, i.e. if the value of the Underlying at expiry is above or, in case of "Discount Certificates" with a bear feature, below the specified strike or reference level, as the case may be, the redemption amount will be equal to such strike or, as the case may be, reference level. In case that the value of the Underlying has developed unfavourably, i.e. if the value of the Underlying at expiry is below or, in case of "Discount Certificates" with a bear feature, above, the specified strike or, as the case may be, reference level, investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier.

### Barrier Discount Certificate (1210)

"Barrier Discount Certificates" are primarily targeted at investors that expect the value of the Underlying (i) to remain constant or to slightly increase (or, in the case of "Barrier Discount Certificates" with a bear feature, to slightly decrease), with falling volatility, and (ii) not to fall below (or, in case of "Barrier Discount Certificates" with a bear feature, rise above) the specified barrier throughout the term.

"Barrier Discount Certificates" are issued at a discount, i.e. a discount compared to a direct investment in the Underlying and provide for a conditional minimum redemption amount (i.e., the redemption amount is at least

equal to, generally, 100% of the nominal or par value of the "Barrier Discount Certificates" if the specified barrier is not breached during the term).

If the value of the Underlying has developed favourably, i.e. if the value of the Underlying did not fall below (or, in case of "Barrier Discount Certificates" with a bear feature, rise above) the specified barrier throughout the term or, if the barrier is breached, but the value of the Underlying at expiry is at or above (or, in case of "Barrier Discount Certificates" with a bear feature, below) the specified strike or, as the case may be, reference level (typically the initial value of the Underlying), the redemption amount will be equal to such strike or reference level.

In case the barrier is reached or breached and depending on the specific features of the relevant Security, the relevant Underlying(s) is/are delivered (physical settlement), or the nominal amount minus the percentage difference between the strike or, as the case may be, reference level, and the final value of the (relevant) Underlying is paid out (cash settlement).

In contrast to "Discount Certificates" (1200), the probability of receiving the maximum redemption amount under "Barrier Discount Certificates" is higher due to the conditional protection provided by the barrier, although the discount at which they are issued is generally smaller and therefore the return on an investment in "Barrier Discount Certificates" generally lower.

#### Reverse Convertible (1220)

"Reverse Convertibles" are primarily targeted at investors that expect (i) the value of the Underlying to move sideways or to slightly increase (or, in the case of "Reverse Convertibles" with a bear feature to slightly decrease) and (ii) falling volatility.

"Reverse Convertibles" allow investors to benefit from an enhanced return by receiving a periodic coupon payment.

The redemption amount depends on the value of the Underlying at the end of the term. If the value of the Underlying has developed favourably, i.e. if the value of the Underlying at expiry is above (or, in case of "Reverse Convertibles" with a bear feature, below) the specified strike or, as the case may be, reference level (typically the initial value of the Underlying), the redemption amount will be equal to such strike or, as the case may be, reference level. If at expiry the value of the Underlying has developed unfavourably, i.e. if the final value of the Underlying is below (or, in case of "Reverse Convertibles" with a bear feature, above) the specified strike or, as the case may be, reference level, investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier.

#### Barrier Reverse Convertible (1230)

"Barrier Reverse Convertibles" are primarily targeted at investors that expect the value of the Underlying (i) to remain constant or to slightly increase (or, in the case of "Barrier Reverse Convertibles" with a bear feature, to slightly decrease), with falling volatility, and (ii) not to fall below (or, in case of "Barrier Reverse Convertibles" with a bear feature, rise above) the specified barrier throughout the term.

"Barrier Reverse Convertibles" allow investors to benefit from an enhanced return by receiving a periodic coupon payment.

If the value of the Underlying has developed favourably, i.e. if the value of the Underlying did not fall below (or, in case of "Barrier Reverse Convertibles" with a bear feature, rise above) the specified barrier throughout the term or, if the barrier is breached, the value of the Underlying at expiry is at or above (or, in case of "Barrier Reverse Convertibles" with a bear feature, below) the specified strike or, as the case may be, reference level (typically the initial value of the Underlying), the redemption amount will at least be equal to, generally, 100% of the nominal or par value of the "Barrier Reverse Convertibles".

If the barrier is reached or breached and the final value of the Underlying is lower (or, in case of "Barrier Reverse Convertibles" with a bear feature, higher) than the strike or, as the case may be, reference level, investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier.

In contrast to "Reverse Convertibles" (1220), the probability of receiving the maximum redemption amount under "Barrier Reverse Convertibles" is higher due to the conditional protection provided by the barrier. On the other hand, the periodic coupon payment and therefore the return on an investment in "Barrier Reverse Convertibles" is generally lower.

#### Conditional Coupon Reverse Convertible (1255)

"Conditional Coupon Reverse Convertibles" are primarily targeted at investors that expect the value of the Underlying to increase or to slightly increase (or, in the case of "Conditional Coupon Reverse Convertibles" with a bear feature, to decrease or slightly decrease), with falling volatility.

"Conditional Coupon Reverse Convertibles" typically provide for one or more coupon payments in respect of one or more observation dates on which the value of the Underlying is observed. If the value of the Underlying has increased (or in the case of "Conditional Coupon Reverse Convertibles" with a bear feature, decreased) to a specified threshold, investors are entitled to a coupon payment in respect of such observation date.

If the value of the Underlying has increased and it exceeds (or, in case of "Conditional Coupon Reverse Convertibles" with a bear feature, has decreased and falls below) a specified threshold (autocall trigger), such "Conditional Coupon Reverse Convertibles" are redeemed early on the relevant autocall trigger date and investors are entitled to an early redemption amount equal to, generally, 100% of the nominal or par value of the "Conditional Coupon Reverse Convertibles" plus a coupon.

If the value of the Underlying has developed unfavourably, i.e. if the final value of the Underlying at expiry is below (or, in case of "Conditional Coupon Reverse Convertibles" with a bear feature, above) the specified strike or, as the case may be, reference level, investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier.

#### Conditional Coupon Barrier Reverse Convertible (1260)

"Conditional Coupon Barrier Reverse Convertibles" are primarily targeted at investors that expect (i) the value of the Underlying to increase or to slightly increase (or, in the case of "Conditional Coupon Barrier Reverse Convertibles" with a bear feature, to decrease or slightly decrease), with falling volatility, and (ii) not to fall below (or, in case of "Conditional Coupon Barrier Reverse Convertibles" with a bear feature, rise above) the specified barrier throughout the term.

"Conditional Coupon Barrier Reverse Convertibles" provide for a conditional minimum redemption amount at the end of the term, i.e. the redemption amount is at least equal to 100% of the nominal or par value of the "Barrier Express Certificates" if the specified barrier is not breached during the term.

"Conditional Coupon Barrier Reverse Convertibles" typically provide for one or more coupon payments in respect of one or more observation dates on which the value of the Underlying is observed. If the value of the Underlying has increased (or in the case of "Conditional Coupon Barrier Reverse Convertibles" with a bear feature, decreased) to a specified threshold, investors are entitled to a coupon payment in respect of such observation date.

If the value of the Underlying has increased and exceeds (or, in case of "Conditional Coupon Barrier Reverse Convertibles" with a bear feature, has decreased and falls below) a specified threshold (autocall trigger), such "Conditional Coupon Barrier Reverse Convertibles" are redeemed early on the relevant autocall trigger date and investors are entitled to an early redemption amount equal to, generally, 100% of the nominal or par value of the "Conditional Coupon Barrier Reverse Convertibles" plus a coupon.

If the barrier is reached or breached and the final value of the Underlying is lower (or, in case of "Conditional Coupon Barrier Reverse Convertibles" with a bear feature, higher) than the strike or, as the case may be, reference level, investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier.

### **III. Participation Products (SSPA Category 13)**

"Participation Products" are primarily targeted at investors (i) that expect the value of the Underlying to increase (or, in the case of "Participation Products" with a bear feature, to decrease), (ii) but are unwilling or unable to make an investment in the amount required for a direct investment achieving the desired participation in the development of the value of the Underlying.

"Participation Products" generally track the performance of the Underlying and enable investors to participate in the performance of the Underlying. Depending on the structure of the "Participation Product", investor participate proportionate or disproportionate in the performance of the Underlying. The profit an investor may achieve by investing in a "Participation Product" is theoretically unlimited, (unless there is a cap) but there is the risk of a total loss (unless there is a minimum redemption amount specified). "Participation Products" may

or may not provide for (fixed or variable) coupon payments during their term and may be issued with a limited (Closed End) or an unlimited (Open End) term.

"Participation Products" can provide for a minimum redemption amount. The level of the minimal redemption amount representing the level of capital protection indicates the percentage of the nominal or par value of the "Participation Products" that the investor will be entitled to at the settlement date, provided the barrier is not reached, if applicable. If the barrier is reached or exceeded (either above or below), the investor loses the minimum redemption amount (limited capital protection).

The redemption in the case of "Participation Products", depending on the structure or the Underlying, may be made by payment of a cash settlement amount or the physical delivery of the relevant Underlying, adjusted in accordance with the ratio.

The product category "Participation Products" includes in particular the following product types:

#### Tracker Certificate (1300)

"Tracker Certificates" are primarily targeted at investors that expect the value of the Underlying to increase (or, in the case of "Tracker Certificates" with a bear feature, to decrease). "Tracker Certificates" allow an investor to participate in the performance of one or more Underlying, which can be equally or unequally weighted. The profit and loss potential of the "Tracker Certificates" corresponds largely to that of the Underlying and is (theoretically) unlimited, unless there is a cap or minimum redemption amount specified.

Actively Managed Certificates ("AMCs") fall within the category of "Tracker Certificates", consisting of various underlyings, with their composition being changed actively in accordance with the investment strategy. More detailed information on "AMCs" may be found in section V.D.VI down below.

#### Outperformance Certificate (1310)

"Outperformance Certificates" are primarily targeted at investors that expect (i) the value of the Underlying to increase (or, in the case of "Outperformance Certificates" with a bear feature, to decrease) and (ii) the volatility to increase.

"Outperformance Certificates" allow investors to participate in a disproportionate and unlimited manner (unless there is a cap specified to be applicable) in the positive performance of the Underlying above (or, in case of an "Outperformance Certificate" with a bear feature, in the negative performance below) the strike or, as the case may be, reference level. Should the final value of the Underlying be below (or, in case of an "Outperformance Certificate" with a bear feature, above) the strike or, as the case may be, reference level, investors will participate proportionally in the negative performance (or, in case of an "Outperformance Certificate" with a bear feature, in the positive performance) of the Underlying. In such case, investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier.

#### Bonus Certificate (1320)

"Bonus Certificates" are primarily targeted at investors that expect (i) the value of the Underlying to move sideways or to increase (or, in the case of "Bonus Certificates" with a bear feature, to decrease) and (ii) the Underlying not to reach or breach the defined barrier throughout the term.

"Bonus Certificates" allow investors to participate in the performance of the Underlying and provide for a conditional minimum redemption amount at the end of the term.

If the barrier is not reached or breached during the term, investors will receive at least the minimum redemption amount and the potential profit corresponds largely to that of the Underlying and is unlimited (unless there is a cap).

If the barrier is reached or breached, such "Bonus Certificates" change into "Tracker Certificates", with no capital protection and the investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier. The loss potential corresponds largely to that of the Underlying and there is the risk of a total loss.

#### Bonus Outperformance Certificate (1330)



"Bonus Outperformance Certificates" are primarily targeted at investors that expect (i) the value of the Underlying to increase (or, in the case of "Bonus Outperformance Certificates" with a bear feature, to decrease) and (ii) the Underlying not to reach or breach the specified barrier throughout the term.

"Bonus Outperformance Certificates" allow investors to participate in the performance of the Underlying and provide for a conditional minimum redemption amount at the end of the term.

If the specified barrier is not reached or breached during the term, investors will receive at least the minimum redemption amount.

Furthermore, if the defined strike or, as the case may be, reference level, is reached, the participation of the investor is increased by a participation factor resulting in a disproportionate participation in the positive performance (or, in case of an "Bonus Outperformance Certificate" with a bear feature, in the negative performance) of the Underlying and the potential profit is unlimited (unless there is a cap).

If the specified barrier is reached or breached during the term, the "Bonus Outperformance Certificates" change into "Outperformance Certificates", with no minimum redemption amount. The loss potential then corresponds largely to that of the Underlying and there is the risk of a total loss, unless there is a minimum redemption amount specified.

"Bonus Outperformance Certificates" allow the investor to participate in the performance of the Underlying. If the defined strike price is reached, the participation of the investor in a "Bonus Outperformance Certificate" is increased by a disproportionate participation factor. Such "Bonus Outperformance Certificate" may provide for a limit on the achievable profits (cap). Below the strike price, the profit potential of "Bonus Outperformance Certificates", corresponds largely to that of the Underlying, adjusted by the applicable conversion ratio and any related fees. "Bonus Outperformance Certificates" provide for a conditional minimum redemption amount. The level of the minimal redemption amount representing the level of capital protection indicates the percentage of the nominal or par value of the Product that the investor will be entitled to at the settlement date, provided the barrier is not reached.

#### Twin-Win Certificate (1340)

"Twin-Win Certificates" are primarily targeted at investors that expect (i) the value of the Underlying to increase or to slightly decrease (or, in the case of "Twin-Win Certificates" with a bear feature, to decrease or slightly increase) and (ii) the Underlying not to breach the pre-defined barrier throughout the term.

"Twin-Win Certificates" allow investors to participate in the performance of the Underlying. Profits are possible with both an increasing and slightly decreasing value of the Underlying (or, in the case of "Twin-Win Certificates" with a bear feature decreasing or slightly increasing value of the Underlying).

"Twin-Win Certificates" provide for a conditional minimum redemption amount. The level of the minimum redemption amount indicates the percentage of the nominal or par value of the "Twin-Win Certificates" that the investor will be entitled to at the settlement date, provided the barrier is not reached or breached.

If the value of the Underlying increases above the strike or, as the case may be, reference level, the value of the "Twin-Win Certificates" and the profit corresponds largely to that of the Underlying and the potential profit is unlimited (unless there is a cap).

If the value of the Underlying is below the strike or, as the case may be, reference level, but the value of the Underlying did not touch or fall below the barrier throughout the term, then the negative performance of the Underlying is converted into corresponding profits for investors in the "Twin-Win Certificates".

If the barrier is reached or breached, such "Twin-Win Certificates" change into "Tracker Certificates" and loss potential then corresponds largely to that of the Underlying. In such case, investors may receive the relevant Underlying(s) (physical settlement) or a redemption amount linked to the final value of the Underlying(s) (cash settlement). In each case, the relevant pay-out may be determined on the basis of a specific conversion ratio or, as the case may be, a multiplier.

#### **IV. Investment Products with Additional Credit Risk (SSPA Category 14)**

In addition to the features of the corresponding "Capital Protection Products", "Yield Enhancement Products" or "Participation Products" on which they are based, "Investment Products with Additional Credit Risk" are also affected by the occurrence of a defined credit event in respect of a reference entity or reference obligation. If a credit event occurs in respect of a reference entity or reference obligation during the term of the "Investment Products with Additional Credit Risk", they will be redeemed at a value which may be significantly below their initial value – in the worst case even as low as zero – and investors will make a partial or total

loss. One of the key characteristics of "Investment Products with Additional Credit Risk" is that the investors not only bear the credit risk of the Issuer but also the credit risk of the reference entity or reference obligation.

If no credit event occurs, "Investment Products with Additional Credit Risk" work in the same manner as the corresponding "Capital Protection Product", "Yield Enhancement Product" or "Participation Product" on which they are based.

#### Credit Linked Note (1400)

"Credit Linked Notes" are primarily targeted at investors that expect that no credit event to occur with regard to a reference entity or reference obligation.

Generally, if during the term of a "Credit Linked Note" a credit event or a credit redemption event in respect of the relevant reference entity or reference entities occurs, further coupon payments and the repayment of the entire or part of the redemption amount are jeopardized as specified in the applicable terms and conditions of the respective "Credit Linked Note" (early redemption). In such case the amount investors receive may be significantly below its initial value and as low as zero and investors will make a partial or total loss. Therefore, in particular, the solvency of a specific reference entity is decisive.

Generally, if during the term of a "Credit Linked Note" no credit event or credit redemption event occurs in respect of the relevant reference entity resp. reference entities or reference obligation(s), "Credit Linked Notes" generally provide for a defined scheduled redemption amount equal to a certain percentage of the relevant outstanding principal amount specified in the applicable terms and conditions, which investors will receive on the defined scheduled maturity date, provided that the product is not redeemed prior to the scheduled maturity date.

#### Conditional Capital Protection Note with Additional Credit Risk (1410)

"Conditional Capital Protection Notes with Additional Credit Risk" are primarily targeted at investors that (i) expect the value of the Underlying to increase (or, in the case of Products with a bear feature to decrease), (ii) consider a sharp decrease of the value of the Underlying to be possible (or, in the case of a "Conditional Capital Protection Note with Additional Credit Risk" with a bear feature, a sharp increase of the value of the Underlying) and (iii) and expect no credit event to occur with regard to a reference entity or reference obligation.

"Conditional Capital Protection Notes with Additional Credit Risk" may have one or more underlying reference entities or obligations. If during the term of the "Conditional Capital Protection Note with Additional Credit Risk" no credit event occurs in respect of the reference entity or reference obligation, the investor will participate in the performance of the Underlying. If the value of the Underlying has developed favourably (i.e., if the value of the Underlying has increased or, in case of "Conditional Capital Protection Notes with Additional Credit Risk" with a bear feature, decreased), the return will exceed the minimum redemption amount of the "Conditional Capital Protection Note with Additional Credit Risk". Therefore, if no credit event occurs, "Conditional Capital Protection Notes with Additional Credit Risk" work in the same manner as the corresponding "Capital Protection Product" on which they are based.

If a credit event occurs in respect of the reference entity or reference obligation during the term of the "Conditional Capital Protection Notes with Additional Credit Risk", the investor loses the capital protection and the "Conditional Capital Protection Notes with Additional Credit Risk" will be redeemed at a value, which may be significantly below their initial value and as low as zero and investors will incur a partial or total loss.

#### Yield Enhancement Certificate with Additional Credit Risk (1420)

"Yield Enhancement Certificates with Additional Credit Risk" are primarily targeted at investors that expect (i) the value of the Underlying to move sideways or to slightly increase (or, in the case of Products with a bear feature to move sideways or to slightly decrease), with falling volatility, and (ii) no credit event to occur with regard to a reference entity or reference obligation.

"Yield Enhancement Certificates with Additional Credit Risk" may have one or more underlying reference entities or obligations. If during the term of the Product no credit event occurs in respect of the reference entity or reference obligation, the investor will receive a coupon or a discount and the "Yield Enhancement Certificate with Additional Credit Risk" will work in the same manner as the corresponding "Yield Enhancement Product" on which it is based. If a credit event occurs in respect of the reference entity or reference obligation during the term of the "Yield Enhancement Certificate with Additional Credit Risk", it will be

redeemed at a value, which may be significantly below its initial value and as low as zero and the investor will make a partial or total loss.

#### Participation Certificate with Additional Credit Risk (1430)

"Participation Certificates with Additional Credit Risk" are primarily targeted at investors that expect (i) the value of the Underlying to increase (or, in the case of "Participation Certificates with Additional Credit Risk" with a bear feature, to decrease) and (ii) no credit event to occur with regard to a reference entity or reference obligation.

"Participation Certificates with Additional Credit Risk" may have one or more underlying reference entities or obligations. If during the term of "Participation Certificate with Additional Credit Risk" no credit event occurs in respect of the reference entity or reference obligation, investors will participate in the performance the Underlying in the same manner as the corresponding "Participation Product" on which they are based.

If a credit event occurs in respect of the reference entity or reference obligation during the term of the "Participation Certificates with Additional Credit Risk", they will be redeemed at a value which may be significantly below their initial value and can in the worst case even be as low as zero and investors will make a partial or total loss.

### **V. Leverage Products (SSPA Category 20)**

"Leverage Products" are subject to a leverage effect both in the direction of profits and losses, i.e., changes in the value of the Underlying have a disproportionate effect on the value of "Leveraged Products" compared to a direct investment in the Underlying. The leverage effect permits investors to use less capital compared to investing directly in the Underlying. "Leverage Products" have a theoretically unlimited performance and are subject to the risk of total loss upon redemption.

#### Warrant (2100)

"Warrants" with a call feature are primarily targeted at investors that expect the value of the Underlying and the volatility to increase. "Warrants" with a put feature are primarily targeted at investors that expect the value of the Underlying to decrease and volatility to increase. "Warrants" are therefore suitable for hedging and speculating.

The essential attribute of "Warrants" is the leverage effect. The leverage effect causes the value of such "Warrants" to react proportionally stronger to changes in the value of the Underlying below or above the strike or reference level, as the case may be. The leverage provides a rough indication of the amount by which the price of the "Warrants" will rise (fall) if the Underlying rises (falls) by a certain percentage. The leverage effect works in both directions – i.e. not only to the advantage of the investor in the event of favourable movements in the price of the Underlying, but also to the detriment of the investor in the event of unfavourable movements in the price of the Underlying. The risk associated with an investment in "Warrants" is therefore greater than that with a direct investment in the Underlying. The potential loss covers the whole of the capital invested. "Warrants" are worthless at maturity if they are not "in-the-money", i.e. if the market price of the Underlying is lower (Call Warrants) or higher (Put Warrants) than the strike or reference level, as the case may be. The loss is then equal to the issue price paid for the "Warrant".

Physical settled "Warrants": When purchasing "Warrants" that give the right to buy (Call Warrants) or sell (Put Warrants) securities, investors acquire the right to take delivery of (in case of Call Warrants) or to deliver (in case of Put Warrants) a specified quantity of securities at a price determined in advance, i.e. the strike (taking into account the conversion ratio, or as the case may be, the multiplier). Physical settled "Warrants" are typically not exercised automatically and need to be exercised by the investor before maturity of the Security.

Cash settled "Warrants": When purchasing cash settlement "Warrants", investors acquire the right to receive a cash amount equal to the intrinsic value as determined upon exercise/maturity (end of term). Cash settled Warrants will – if they are "in-the-money" – be exercised automatically.

#### Spread Warrant (2110)

"Spread Warrants" with a bull feature are primarily targeted at investors that expect the value of the Underlying to increase. "Spread Warrants" with a bear feature are primarily targeted at investors that expect the value of the Underlying to decrease.

"Spread Warrants" provide for a leverage effect, meaning the value of such "Spread Warrants" will react proportionally more strongly to changes in the value of the Underlying below or above the strike, as applicable. The leverage is the result of the fact that the invested capital in such "Spread Warrants" is smaller than

for a direct investment in the Underlying. Therefore, a smaller investment may generate a leveraged performance relative to the Underlying.

In contrast to traditional "Warrants", the potential yield of an investment in "Spread Warrants" is limited, namely by the upper cap in the case of "Spread Warrants" with a bull feature and by the lower cap in the case of "Spread Warrants" with a bear feature. This means that an investor may benefit from an increase (in the case of bull feature) or a decrease (in the case of a bear feature) of the value of the Underlying up to a maximum value at the lower or upper cap, as applicable. Upon reaching the specified thresholds, the highest possible pay-out is reached.

"Spread Warrants" with a bull feature are worthless at maturity if the final fixing of the Underlying is below the lower strike, while "Spread-Warrants" with a bear feature are worthless at maturity if the final fixing of the Underlying is higher than the upper strike.

#### Warrant with Knock-Out (2200)

"Warrants with Knock-Out" may be issued with a limited (Closed End) or an unlimited (Open End) term. "Warrants with Knock-Out" with a call feature are primarily targeted at investors that expect the value of the Underlying to increase. "Warrants with Knock-Out" with a put feature are primarily targeted at investors that expect the value of the Underlying to decrease. "Warrants with Knock-Out" are typically characterised by the fact that they expire worthless once the price of the Underlying reaches or breaches a pre-defined knock-out level.

"Warrants with Knock-Out" provide for a leverage effect, meaning the value of such "Warrants with Knock-Out" will react proportionally more strongly to changes in the value of the Underlying and therefore, the higher the leverage factor is, the higher is the risk of the occurrence of a knock out. As a general rule, the leverage factor becomes higher if the current market price gets closer to the knock-out level. In contrast to traditional "Warrants", volatility only has a minor effect on the value of "Warrants with Knock-Out" and also the loss of time value is marginal.

#### Mini-Future (2210)

"Mini Futures" (long) are primarily targeted at investors that expect the value of the Underlying to increase. "Mini Futures" (short) are primarily targeted at investors that expect the value of the Underlying to decrease. "Mini Futures" are therefore suitable for hedging and speculating purposes. "Mini-Futures" typically have no fixed term, but they mature once the Underlying reaches, falls below ("Mini Futures" (long)) or exceeds ("Mini Futures" (short)) the stop-loss level, in which case they are redeemed at the residual value realised at that date. It cannot be ruled out that, under particularly unfavourable circumstances, the stop-loss liquidation price may amount to nil, resulting in a total loss for the investors.

In addition to that, "Mini Futures" may be terminated by the Issuer at any time.

"Mini Futures" provide for a leverage effect, meaning the value of such "Mini Futures" will react proportionally more strongly to changes in the value of the Underlying below or above the stop-loss barrier. The leverage effect is the result of the fact that the invested capital in such "Mini Futures" is smaller than for a direct investment in the Underlying. Therefore, a smaller investment may generate a leveraged performance relative to the Underlying. Potential investors should be aware that the leverage effect works in both directions – i.e. not only to the advantage of the investor in the event of favourable movements in the price of the Underlying, but also to the detriment of the investor in the event of unfavourable movements in the price of the Underlying. It should therefore be borne in mind when buying "Mini-Futures" that the greater the leverage effect, the greater the associated risk of loss. "Mini-Futures" do not generate any current income (such as interest or dividends) that could be used to make up for a decrease in the price of "Mini-Futures". An increase in the price of "Mini-Futures" is the only way to generate returns. The investor's potential gain or loss is always dependent on the purchase price paid for the "Mini-Futures" and is calculated as the difference between the purchase price and the redemption amount.

#### Constant-Leverage Certificates (2300)

"Constant Leverage Certificates" (long) are primarily targeted at investors that expect the value of the Underlying to increase. "Constant Leverage Certificates" (short) are primarily targeted at investors that expect the value of the Underlying to decrease. "Constant Leverage Certificates" allow investors to make long term-leveraged investments in an Underlying for which the risk and leverage effect are kept constant.

"Constant Leverage Certificates" provide for a leverage effect, meaning the value of such "Constant Leverage Certificates" will react proportionally more strongly to changes in the value of the Underlying. The leverage effect is the result of the fact that the invested capital in such "Constant Leverage Certificates" is smaller than

for a direct investment in the Underlying. Therefore, a smaller investment may generate a leveraged performance relative to the Underlying. Unlike other "Leverage Products", the leverage effect of "Constant Leverage Certificates" remains constant. A regular resetting mechanism under which the performance of the Underlying is mirrored with a defined leverage factor (i.e., a constant leverage of 10), ensures that the leverage effect remains constant.

## **VI. Specific Information on Actively Managed Certificates (AMCs) - Tracker Certificate (1300)**

### General Overview:

AMCs are limited recourse debt obligations and structured products, which may be covered by Collateral Assets. If applicable, the Collateral Assets are held in custody with the Custodian, as specified in the Final Terms.

AMCs aim to replicate an actively managed investment strategy less a cost component (including e.g. fees, hedging costs, taxes, and other costs, where applicable). They may or may not bear interest at a fixed or variable rate (as specified in the applicable Final Terms) and are typically not principal-protected. AMCs are linked to Underlyings and may be covered by Collateral Assets that are selected and weighted according to the investment strategy. This strategy also defines whether a long exposure or a short exposure is taken in an Underlying and whether leverage is applied. The terms and conditions under which the AMC may provide exposure to a range of assets and the investment strategy are set out in this Base Prospectus and the relevant Final Terms relating to such AMCs.

The return on each AMC will be linked to the performance of the investment strategy and the respective Redemption Amount will be derived from the closing price of the Underlyings on the relevant price fixing date.

### Design of the AMCs:

An AMC indirectly represents a quantity of assets and the value thereof (i.e. entitlement). The AMCs are linked to several Underlyings that are selected and weighted following an investment strategy as indicated in the applicable Final Terms. The value of this entitlement will be affected by positive and negative changes in the market value of the Underlyings and the investment decisions made by the Investment Manager, as indicated in the applicable Final Terms, during the term of the AMC. This entitlement will be reduced by the amount of the fees on a daily basis.

The total amount of the value of an AMC is calculated using the balance of all custody accounts of the respective Cell less the fees on a daily basis. The value of the entitlement of a potential investor is calculated using the sum of the total net amount of the Underlyings per AMC divided by the number of outstanding units of the AMC which are held by the potential investor. The inner value is provided by the calculation agent. The calculation agent for each AMC is specified in the relevant Final Terms. The price movement and the movement of entitlement is correlated 1:1, but the fees will reduce the entitlement.

An AMC may comprise either long- or short exposure as Underlyings or a combination of short- and long exposures for different Underlyings. In case of a long exposure to an Underlying, the value of the entitlement for a particular AMC increases compared to the issue price when the price of the Underlying increases. This will have a positive impact on the market value of the AMC and, if the AMC would be redeemed at such point in time, the Redemption Amount. In case of a short exposure of an Underlying, the value of the entitlement for a particular AMC decreases compared to the issue price if the value of the Underlying increases. This scenario would therefore have a negative impact on the market value of the AMC and, if the AMC would be redeemed at such point in time, the Redemption Amount. Furthermore, AMCs issued under this Base Prospectus may or may not be leveraged.

The Redemption Amount will be reduced by the applicable fees irrespective of whether the value of the entitlement increases, decreases or stays flat and the market value of the AMCs will take this into account on a continuous basis. The Redemption Amount can be as low as zero (but cannot turn negative). The market value of the AMC at which it can be purchased or sold, may be different than the value according to a hypothetical calculation of the Redemption Amount at any given point in time.

### General Description of certain Underlyings

The AMCs are financial instruments providing exposure to the actively managed investment strategy and the Underlyings, respectively, of the AMC and hedging the investment with the Collateral Assets. Possible Underlyings may be, but are not limited to, shares/stocks, bonds/notes, ETFs, derivatives, structured products, cash, collective investment schemes, commodities, digital assets and any other Underlying(s) as indicated in the applicable Final Terms.

The Issuer, acting on behalf of a Cell, aims to hedge each Cell's exposure to the Underlyings by its investments in such Underlyings or in other Collateral Assets. Underlyings and Collateral Assets may or may not consist of identical assets. If the performance of the Underlyings is hedged indirectly, the actual performance of the Underlyings may vary from the actual performance of the Collateral Assets (in certain cases to the detriment of the Investors). AMCs are generally hedged with direct investments in their Underlyings (which then represent Collateral Assets). However, there may be certain exceptions to this general rule.

Neither the Issuer, acting on behalf of itself or on behalf of the Cells, nor any service provider has done any investigation and assessment of the Underlyings/Collateral Assets (with the exception of the Investment Manager to the extent provided for in this Base Prospectus and the applicable Final Terms) and no representation or guarantee of any kind whatsoever relating to the Underlyings or Collateral Assets is given or may be implied.

#### Collateralization of the AMCs:

The AMCs and their Underlyings may be hedged with investments in such Underlyings and Collateral Assets, respectively, which all serve as collateral for the AMC and are held by the relevant Cell of the Issuer. Collateralization of AMCs reduces the credit risk in relation to the Issuer, acting on behalf of a Cell, only to the extent that the proceeds from the liquidation or realization of Collateral (less the costs of liquidation fees and expenses and payout) meet the Holders' claims. The Holder bears among others the market risk associated with the Collateral liquidation results in insufficient liquidation proceeds or, in extreme circumstances, the Collateral might lose its value entirely, including through theft, hacking, or fraud, prior to the liquidation taking place. The costs for the collateralization and hedging of the AMCs may be taken into account for the pricing of AMCs and may therefore be borne by the Investors. With regard to the payment to the respective Holders of the relevant share of the net liquidation proceeds, each Holder bears the solvency risks of any custodian of the Underlyings or the Collateral Assets effecting the liquidation thereof, as well as the financial intermediaries along the payout chain. The payment to the Holders may be delayed for factual or legal reasons. Finally, to the extent the calculation of the current value of AMCs proves to be incorrect, the collateralization of the AMCs may be insufficient.

#### Use of proceeds:

The Issuer, acting on behalf of a Cell, may apply the net proceeds received from the issue of the AMCs to finance the acquisition of the Collateral Assets, for other hedging purposes, and to pay any costs and expenses of the Issuer acting on behalf of the relevant Cell (including the applicable fees, hedging costs, taxes and other costs, if any).

#### Management of the AMCs:

Any AMC is managed in accordance with the investment strategy specified in the applicable Final Terms and governed by the investment guidelines and investment restrictions. The investment strategy is an active, discretionary, proprietary investment strategy for the relevant AMC, according to which the Underlyings and/or Collateral Assets are selected and weighted, the direction of the exposure (i.e. short or long) per Underlying is chosen, and the deployment of leverage is decided. The Investment Manager (as specified in the applicable Final Terms and subject to supervision, as the case may be, as specified in the applicable Final Terms) is realizing the investment strategy that is defined in the applicable Final Terms and governed by the investment guidelines and investment restrictions for AMCs issued under the Base Prospectus.

Information relating to the investment strategy for the relevant AMC as well as the monthly updated weighting of the Underlyings will be published under [www.css-pcc.com](http://www.css-pcc.com) (or any succeeding internet website).

**Investors should be aware that this is not an exhaustive list of the types of Securities which may be issued under this Base Prospectus. The types of Securities which may be issued under this Base Prospectus include any other types of Securities (including a Series of Securities comprising a combination of two or more of any of the types of Securities mentioned above) as set out in the applicable Final Terms.**

## VI. GENERAL CONDITIONS OF THE SECURITIES

The content of this section forms the general conditions of the Securities (the "**General Conditions**" or "**Conditions**") which are applicable to all Securities or, if so specified, to a particular type of Securities issued under this Base Prospectus. The General Conditions and the applicable Final Terms of the Securities together constitute the conditions of the Securities and must always be read in conjunction with each other. In the case of any inconsistency between the General Conditions and the terms and conditions set out in the relevant Final Terms, the Final Terms shall prevail.

### A. GENERAL CONDITIONS APPLICABLE TO ALL SECURITIES

The following conditions apply to all Securities issued under this Base Prospectus and shall always be read together with the applicable Final Terms of the Securities.

#### I. Form of the Securities

The Securities may be issued in the form of bearer notes represented by one or more global securities (*Globalurkunden*) pursuant to article 973b CO ("**Global Securities**") or in uncertificated form as uncertificated securities (*Wertrechte*) pursuant to article 973c CO ("**Uncertificated Securities**"), as specified in the relevant Final Terms.

Global Securities will be deposited with, and Uncertificated Securities will be entered into the main register (*Hauptregister*) of, SIX SIS in accordance with the FISA. Once deposited or registered with SIX SIS and booked into the accounts of one or more participants of SIX SIS, the Global Securities or Uncertificated Securities will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the FISA ("**Intermediated Securities**"). The Issuer reserves the right to select any other clearing system(s) or any other common depository, including the Issuer, eligible for the role of an intermediary pursuant to article 4 FISA, for the purposes of depositing Global Securities or registering Uncertificated Securities. As long as the Securities are Intermediated Securities, they may only be transferred and otherwise disposed of in accordance with the provisions of the FISA, i.e. by crediting the transferred Securities to a securities account of the transferee.

No physical delivery of any Securities shall be made unless and until such Securities have been printed. In the case of Securities in the form of Uncertificated Securities registered with SIX SIS or any other clearing system(s) or common depository/-ies, such Securities may only be printed (in whole but not in part) if the relevant clearing system or common depository has become permanently unable to perform its functions in relation to the relevant Securities as a result of its insolvency, force majeure or for regulatory reasons, and no substitute clearing system or common depository has assumed its functions within 90 calendar days thereafter. In the case of Securities issued in the form of bearer notes, such Securities may only be printed (in whole but not in part) if the Paying Agent deems the printing of definitive notes (*Wertpapiere*) necessary or useful or required by Swiss or applicable foreign laws or regulations in connection with the enforcement of rights. Should the Paying Agent so determine, it shall provide for the printing of definitive notes without costs to the holders thereof.

**The Holders shall at no time have the right to effect or demand the conversion of Uncertificated Securities into, or the delivery of a Global Security or definitive notes.** The Issuer, acting on behalf of itself or acting on behalf of a Cell, on the other hand may convert Global Securities or definitive notes into Uncertificated Securities and vice versa at any time and without the consent of the respective Holders.

#### II. Status, Limited Recourse and Non-Petition

##### 1. Status

Unless otherwise provided for in the applicable Final Terms, the obligations under the Securities constitute direct, unconditional, unsecured and unsubordinated limited recourse debt obligations of the Issuer, acting on behalf of a Cell, ranking *pari passu* with all other present and future unsecured and unsubordinated limited recourse debt obligations of the Issuer, acting on behalf of a Cell, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations as may be preferred by mandatory provisions of law or by a different priority of payments such as set out in section VI.A.III (*Priority of Payments*) below, if provided for in the applicable Final Terms.

## 2. Limited Recourse and Non-Petition

The Holders acknowledge and accept that, subject to certain exceptions, once all the assets of the relevant Cell have been realized, they are not entitled to take any further steps against the Issuer or against other Cells to recover any further amounts due and the right to receive any such amounts shall be extinguished.

Each Holder agrees with and acknowledges to the Issuer, that neither it nor any person on its behalf shall initiate or join any person in initiating insolvency proceedings or the appointment of an insolvency official in relation to the Issuer.

Each Holder agrees with and acknowledges to the Issuer acting on behalf of its relevant Cell, that if at any time (a) following the occurrence of either (i) the Redemption Date or any earlier date upon which all of the Securities are due and payable or (ii) if applicable in accordance with the applicable Final Terms, a declaration by a Holder or the Issuer, acting on behalf of a Cell, that the Securities are immediately due and payable, and (b) the realization of all assets of the relevant Cell and application in full of any amounts available to pay amounts due and payable under the Securities, such amounts are insufficient, after payment of any other claims ranking in priority, to pay in full all amounts then due and payable under the Securities, then the amount remaining to be paid (after such application in full of the amounts first referred to in the priority of payments provided for in the applicable Final Terms) under the Securities shall cease to be due and payable by the Issuer acting on behalf of that Cell.

Nevertheless, in case of Guaranteed Securities, Holders will continue to be able to claim against the Guarantor in respect of any unpaid amount (which may also act in another capacity, e.g. as the Calculation Agent) under the Guarantee provided for this specific Guaranteed Security. As a consequence, prospective Investors in Guaranteed Securities should note that in such case the entitlement of the Holders will be limited to the sums obtained by making a claim under the Guarantee, and the relevant provisions of the Guarantee.

## III. Priority of Payments

If the relevant Final Terms indicate that the Priority of Payments in accordance with this section VI.A.III (*Priority of Payments*) of the General Conditions applies, any monies received in connection with the realization or enforcement of all or part of the Collateral Assets, all monies received by or on behalf of the Issuer, acting on behalf of a Cell, in relation to any Redemption of the Securities will be paid in the following order of priority: Firstly, in payment or satisfaction of all amounts then due and unpaid or payable; Secondly, in payment or satisfaction of all amounts then due and unpaid to the Paying Agents; Thirdly, in payment or satisfaction *pari passu* and rateably of all amounts then due and unpaid to the Investment Manager (if any) and the custodian; Fourthly, in payment of any redemption amounts due and unpaid owing to the Holders; Fifthly, in payment of the balance (if any) to the Issuer acting on behalf of the relevant Cell (without prejudice to, or liability in respect of, any queries as to how such payment to the Issuer shall be dealt with between the Issuer and any such person).

## IV. Guarantee

If the relevant Final Terms indicate that the Securities are guaranteed by Banca Credinvest SA as Guarantor and thus constitute Guaranteed Securities, then Banca Credinvest SA has unconditionally and irrevocably guaranteed in accordance with, and subject to the terms of, a guarantee substantially in the form set out in section VII (the "**Banca Credinvest Guarantee**") that, if for any reason the Issuer, acting on behalf of the relevant Cell, does not pay any sum payable by it or perform any delivery obligation under any Security on the date such payment became due and payable or such delivery became due for delivery in accordance with the Product Documentation (after any applicable delay or extinguishment due to any event or condition set out in the Product Documentation providing or allowing for delay or extinguishment in respect of the payment or delivery) Banca Credinvest SA will pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform such delivery obligation or cause such delivery obligation to be performed, in each case promptly upon a demand has been made on Banca Credinvest SA by a Holder in accordance with the provisions set out in the Banca Credinvest Guarantee.

The Banca Credinvest Guarantee constitutes a direct, unsecured and unsubordinated obligation of the Guarantor which ranks *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor without any preference among themselves and without any preference one above the other, except for such preferences as are provided by any mandatory applicable provision of law or by a different priority of payments as set out in the applicable Final Terms.

Investors should note that the Guarantee only extends to the liabilities of the Issuer under the Guaranteed Securities. It does not extend to the liabilities of any third party Custodian. In case of insolvency of a Custodian



appointed by the Issuer for Guaranteed Securities, the cash position held by the Issuer with such Custodian may be negatively affected, without recourse on the Guarantor for the resulting shortfall.

## V. Classification

The Securities do not represent a participation in a collective investment scheme pursuant to article 7 *et seq.* CISA and thus the Issuer does not require an authorisation of or approval by the FINMA. Therefore, Holders are not eligible for the specific investor protection under the CISA. Furthermore, the Securities (including Guaranteed Securities) do not benefit from any depositor protection under articles 37a and 37b of the Banking Act or other forms of deposit insurance under any other laws as might be applicable to the Securities.

## VI. Collateralization and Hedging

The Issuer, acting on behalf of a Cell, aims (but is not obliged to), by no later than the Issue Date of the Securities, to hedge the Underlying(s) of the Securities with collateral to the extent such collateral is available to the relevant Cell (the "**Collateral Assets**"), in order to provide them as collateral for the benefit of the Holders to secure its payment obligations under the terms and conditions of the Securities.

## VII. Term of the Securities

The Securities can either be structured as securities with a fixed duration, being redeemed on the Redemption Date ("**Fixed-end Securities**") or as securities without any fixed maturity date ("**Open-end Securities**"). Fixed-end Securities are, unless otherwise specified in the relevant Final Terms, automatically redeemed on the Redemption Date. The relevant Final Terms may provide for a put option of the Holder or a call option of the Issuer, acting on behalf of a Cell, which allows each of them to early redeem the relevant Securities. Open-end Securities have no fixed maturity, but the Issuer has the right to call and each Holder has the right to put the Securities at the dates and in accordance with the procedures set out in the relevant Final Terms.

## VIII. Issue Price and Minimum Investment / Minimum Trading Lot

The Securities may be issued at a unit price or at their nominal amount/value (with or without an issue premium or discount), as specified in the relevant Final Terms. The Issue Price of the respective Securities may be higher or lower than the market value of the Underlying referenced by the Securities on the Issue Date or the date of the respective Final Terms. The Issue Price may include projected profits as well as fees (including, without limitation, subscription fees, placement fees, discretion fees and structuring fees), embedded commissions and other additional costs payable to the relevant dealer(s) and/or distributors.

The Securities are transferable solely in the number of units or an amount specified in section *Minimum Investment / Minimum Trading Lot* (or any similar section) in the relevant Final Terms.

In the event of the Minimum Investment not being completed or any Units not being allotted, the amount transferred to the Issuer will be repaid within 15 Business Days after the Settlement Date.

## IX. Listing

If the relevant Final Terms provide for a listing of the Securities, the Issuer will apply for such listing on the securities exchange specified in the respective Final Terms. In this case, the issuance documentation will be supplemented by a listing prospectus in accordance with the listing rules of the relevant securities exchange. However, neither the Issuer nor any Agent represent or assure that the envisaged listing (if any) will be successful and/or that such listing can be maintained during the whole term of the Securities.

## X. Issuance of Additional Securities and Repurchase of Securities

The Issuer reserves the right from time to time and without the consent of the Holders, to issue or create additional Tranches of securities at any time, which shall be identical to the Securities in respect of their terms and conditions (other than the Issue Price, the Issue Date, the Payment Date, the Interest Commencement Date (if any) and the first Interest Payment Date (if applicable)), in such way that they form a single Series with the Securities. Any such issuance of additional securities will be communicated to the Holders in accordance with section VI.A.XXVI (*Notices*) below.

In addition, the Issuer, the Lead Manager and any of their respective Affiliates may from time to time during the term of the Securities purchase Securities at any price in the open market, by tender, private contract or otherwise. Any Security so purchased may, at the option of the Issuer, the Lead Manager or the respective Affiliate, be cancelled, held, resold, or otherwise disposed of. Neither the Issuer and the Lead Manager nor any of their respective Affiliates shall have an obligation to inform the Holders of such repurchases of Securities. All Securities redeemed in full shall be cancelled forthwith and may not be reissued or resold by the Issuer.

## **XI. Payments under the Securities and Discharge**

Any and all payments in respect of the Securities shall be made, subject to applicable fiscal and other laws, regulations and directives, in the Settlement Currency and to the Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary in accordance with the FISA and the rules and regulations of SIX SIS and any other relevant intermediary. The Issuer, acting on behalf of itself or on behalf of the relevant Cell, shall be discharged from any and all of its payment obligations by payment to, or to the order of, the relevant Clearing System(s) or the relevant intermediary or intermediaries.

## **XII. Calculations**

Unless otherwise specified in the relevant Final Terms or this Programme, for the purposes of any calculations to be made with respect to the Securities:

- (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (ii) (subject to (iii) below) all figures shall be rounded to the seventh decimal place (with halves being rounded up); and
- (iii) all currency amounts that fall due and payable shall be rounded to the nearest Currency Unit (with halves being rounded up), save in the case of a currency amount in Japanese yen, which shall be rounded down to the nearest Japanese yen.

## **XIII. Currency Exchange Rates**

Any amounts or portions of amounts to be determined by the Issuer or any Agent pursuant to the terms of the Securities which have to be converted in a different currency shall be converted in such currency at the spot exchange rate applied by the converting person in its normal course of business.

## **XIV. Business Day Convention**

If any date scheduled to make a payment under the Securities falls on a calendar day which is not a Business Day then (unless otherwise specified in the relevant Final Terms):

- (i) if the Business Day Convention specified in the relevant Final Terms is "Following", such date shall be postponed to the next following calendar day which is a Business Day;
- (ii) if the Business Day Convention specified in the relevant Final Terms is "Modified Following", such date shall be postponed to the next following calendar day which is a Business Day unless that calendar day falls in the next calendar month, in which case such date will be the first preceding calendar day that is a Business Day; and
- (iii) if the Business Day Convention specified in the relevant Final Terms is "Preceding", such date will be the first preceding calendar day which is a Business Day.

## **XV. Settlement Disruption Events**

Subject to the immediately following paragraph, if the Issuer or the Paying Agent reasonably determines that a Settlement Disruption Event has occurred and is continuing on any date on which a payment or delivery under the Securities is due to be made, then (i) the relevant due date shall be postponed to the first Business Day following the day on which the Settlement Disruption Event ceases to continue and (ii) the Issuer shall give a notice to the Holders describing the relevant Settlement Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the relevant due date provided for in (i) above).

Notwithstanding the above,

- (i) where a Settlement Disruption Event affects some but not all of the relevant payments or assets that are due to be made or delivered, the payments or deliveries which are not affected by the respective Settlement Disruption Event will be unadjusted and the due date with respect to such payments or deliveries shall be the originally designated due date; and
- (ii) following the occurrence of a Settlement Disruption Event, the Issuer may elect in its sole and absolute discretion, but having regard to standard market practice, to satisfy and discharge its obligations in respect of the relevant Securities in such way as it is reasonably practicable in lieu of the scheduled settlement.

Notwithstanding any provisions to the contrary, (i) any payments made in accordance with this section shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Issuer or any Agent in connection with or arising from the resolution of the relevant Settlement Disruption Event and (ii) in any case a Settlement Disruption Event leads to a postponement of a scheduled payment date or any delivery under the Securities, the Issuer shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer. All determinations made by the Issuer or the Paying Agent pursuant to this section shall be conclusive and binding on the Holders and the Issuer. The Holders will not be entitled to any compensation from the Issuer, acting on behalf of itself or on behalf of its relevant Cell, or any Agent or any of their respective Affiliates for any losses suffered as a result of the occurrence of a Settlement Disruption Event.

#### **XVI. FX Disruption Events**

If the Calculation Agent reasonably determines that a FX Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of any Underlying or any underlying constituent or component, then (i) the relevant date shall be postponed to the first Business Day following the day on which the FX Disruption Event ceases to continue and (ii) the Issuer shall give a notice to the Holders describing the relevant FX Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the relevant due date provided for in (i) above). In the case of such postponement, any payment(s) or delivery/-ies under the Securities dependent on the relevant fixing, observation or valuation may be suspended until one Business Day following the date which the FX Disruption Event ceases to continue.

Notwithstanding any provisions to the contrary, (i) any payments made in accordance with this section shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Issuer, acting on behalf of itself or on behalf of its relevant Cell, or any Agent in connection with or arising from the resolution of the relevant FX Disruption Event and (ii) in any case an FX Disruption Event leads to a postponement of a scheduled payment date or any delivery under the Securities, the Issuer, acting on behalf of itself or on behalf of its relevant Cell, shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer.

#### **XVII. Illiquidity Events**

If the Calculation Agent reasonably determines that an Illiquidity Event has occurred and is continuing, then the Issuer and/or the Lead Manager or any third party appointed by the Issuer as market maker shall be entitled, but not obligated, to temporarily increase the spread between the bid and offer prices of the Securities (if any) to account for such prevailing market conditions.

If due to the occurrence of such Illiquidity Event and after using commercially reasonable efforts:

- (i) the ability of the Hedging Entity to unwind any hedging transaction(s) or dispose of any asset(s) is limited or impaired and therefore such hedging transaction(s) or asset(s) have to be unwound or disposed of over a certain period of time, the redemption amount with respect to the Securities may, instead of the originally pre-defined fixing or value of the Underlying set out in the relevant Final Terms, be calculated on the basis of the average execution price (less transaction costs) as it was obtained on a best efforts basis, as determined by the Calculation Agent; or
- (ii) the Hedging Entity is unable or partially unable, to acquire, unwind or dispose of any hedging transaction(s) or asset(s) or to realize, recover or remit the proceeds of any such hedging transaction(s) or asset(s) by the time originally stated in the relevant Final Terms, the payment of the Redemption Amount with respect to the Securities or, as the case may be, delivery of any assets with respect to the Securities shall be postponed accordingly by such number of days necessary to account for such prevailing market conditions and the actual redemption shall take place 5 (five) Business Days following the last day of the relevant period required by the Hedging Entity to acquire, unwind or dispose of the hedging transaction(s) or asset(s) or to realize, recover or remit the proceeds of such hedging transaction(s) or asset(s).

#### **XVIII. Redemption of Securities**

##### **1. Redemption at the Option of the Issuer**

Unless otherwise specified in the relevant Final Terms, if the relevant Final Terms provide for a call option of the Issuer, the Issuer may, by giving not less than 15 nor more than 30 calendar days' prior notice to the Holders (or such other notice period as may be specified in the relevant Final Terms (if any)) redeem, all or, if so provided, some of the Securities on any Optional Redemption Date at their Optional Redemption

Amount. All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice or in the relevant Final Terms in accordance with this section.

In case of a partial redemption or a partial exercise of the Issuer's call option, the redemption of the Securities will be effected by (i) reducing the nominal amount of all Securities of such Series in a proportion to the aggregate nominal amount redeemed or (ii) a selection of the Securities to be redeemed in accordance with the rules of SIX SIS.

## **2. Redemption at the Option of the Holders**

Unless otherwise specified in the relevant Final Terms, if the relevant Final Terms provide for a put option of the Holders, the Issuer shall, at the option of each Holder, upon such Holder giving not less than 15 nor more than 30 calendar days' prior notice to the Issuer by completion of a Put Option Exercise Notice (or such other notice period as may be specified in the relevant Final Terms (if any)) redeem the Securities held by such Holder on the Optional Redemption Date(s) at their Optional Redemption Amount.

## **3. Redemption on the Redemption Date**

Subject to section VI.A.X (*Issuance of Additional Securities and Repurchase of Securities*) and section VI.A.XIX (*Early Redemption following the occurrence of an Early Redemption Event*) and unless otherwise specified in the relevant Final Terms, each Security shall be redeemed by the Issuer on the Redemption Date at its Redemption Amount, if any. The Redemption Amount shall be calculated by the Calculation Agent in accordance with the relevant Final Terms and shall be notified to the relevant Clearing System or Clearing Systems by no later than 10.00 a.m. (Swiss time) (or such other time as specified in the relevant Final Terms) on the Redemption Date. If the relevant Final Terms provide for an option of the Issuer of either Cash Settlement or Physical Settlement, its choice shall be notified to the Holder on the date and in a manner as set out in the relevant Final Terms.

## **4. Redemption Procedure**

### **(i) Cash Settlement**

Subject to section VI.A.XV (*Settlement Disruption Events*), if the relevant Final Terms provide for a Cash Settlement, the Issuer or the Paying Agent shall, on the Redemption Date, pay or cause the payment of the Redemption Amount in respect of each Security to the respective Holders for value on the Redemption Date, less any Expenses which the Issuer is required or authorised by law or according to the relevant Final Terms to deduct or withhold.

### **(ii) Physical Settlement**

Subject to section VI.A.XV (*Settlement Disruption Events*), if the relevant Final Terms provide for a Physical Settlement, the Issuer or the Paying Agent shall, on the Redemption Date, deliver or cause the delivery of the relevant Underlying or underlying constituents or components to be delivered in accordance with the relevant Final Terms to the respective Holders for value on the Redemption Date. No delivery and/or transfer of the relevant Underlying or underlying constituents or components to be delivered shall be made until all Delivery Expenses arising from the respective delivery and/or transfer have been paid to the satisfaction of the Issuer by the relevant Holder. To facilitate its delivery obligations, the Issuer shall have the right, but no obligation, to divide any Underlying or underlying constituents or components into such number of lots of such size as it deems appropriate.

Where the Issuer would be obliged to deliver any fraction of an Underlying or an underlying constituent or component, the Holders will receive, instead of such fraction of an Underlying or underlying constituent or component, a residual cash amount which corresponds to the value of the respective fraction, it being understood that such residual cash amount shall be determined by the Calculation Agent in its sole and absolute discretion having regard to standard market practices. When determining whether the Issuer would be obliged to deliver any fraction of an Underlying or an underlying constituent or component, the Calculation Agent may (but is not obliged to) aggregate the respective Holder's entire holdings, unless otherwise specified in the relevant Final Terms.

### **(iii) Expenses**

The Issuer is authorized to deduct from the Redemption Amount (i) all Expenses, if any, payable by the Issuer or its Affiliates in connection with the redemption of the Securities, (ii) any and all Expenses in relation to any transfer of the Underlying or any underlying constituents or components made as a result of such redemption, (iii) if the relevant Final Terms specify exercise rights, all Expenses arising in connection with the exercise of the Securities in the place in which the relevant exercise notice is delivered for exercise and (iv) if the relevant

Final Terms specify exercise rights, all Expenses involved in delivering the relevant exercise notice that are payable by the Issuer, acting on behalf of itself or on behalf of its relevant Cell, or its Affiliates.

## **5. Payment of Dividends with respect to Securities with Shares or a Basket of Shares as Underlying**

If the relevant Final Terms provide for the distribution of dividend payments relating to a Share which is the Underlying of the Securities or, as the case may be, a Share which is part of a Basket of Shares which is the Underlying of the Securities, then any dividend declared by the relevant person issuing such Share shall be distributed to the Holders at the dates and in accordance with the procedure set out in the relevant Final Terms. If the relevant person issuing such Share has declared a dividend and (i) the first date on which such Share is quoted ex-dividend on the Related Exchange falls on or prior to the relevant Final Fixing Date or Redemption Date, as the case may be, and (ii) such dividend has not been distributed separately to the Holders, then the redemption payment or delivery related to such Share shall be increased or complemented by a cash amount equal to the dividend attributable to such Share and the respective Security less an amount equal to the value of any related tax credit(s).

## **XIX. Early Redemption following the occurrence of an Early Redemption Event**

If an Early Redemption Event as specified in the relevant Final Terms occurs (such as, without limitation, a Change of Law, Tax Event, Increased Costs of Hedging, Hedging Disruption or Increased Costs of Collateralization), then the Issuer has the right, but not the obligation, to redeem each Security by giving notice to the Holders.

Subject to any applicable fiscal or other laws or regulations, if the Issuer chooses to redeem the Securities following the occurrence of an Early Redemption Event, the Issuer shall redeem the Securities in whole (but not in part) on the fifth Business Day (or such other number of Business Days as specified in the relevant Final Terms) after the notice of early redemption has been published (the "**Early Redemption Date**") and shall pay or cause to be paid the Early Redemption Amount in respect of each Security (in each case together with any accrued interest in the case of interest bearing Securities) to the Holders for value on the Early Redemption Date. Instead of paying a cash amount corresponding to the Early Redemption Amount, the Issuer may in its sole and absolute discretion decide to deliver to the Holders the Underlying(s) or underlying constituents or components of the respective Securities. Payments of any applicable Expenses will be made by the relevant Holder and the Issuer, acting on behalf of itself or on behalf of its relevant Cell, shall not have any liability in respect thereof. Following the payment of the respective Early Redemption Amount or the delivery of the Underlying(s) or underlying constituents or components of the respective Securities, no further amounts will be due to the Holders.

## **XX. Agents**

### **1. In general**

The Lead Manager, Paying Agent and the Calculation Agent and their respective offices are the ones specified in the relevant Final Terms.

Any Agent acts solely as agent of the Issuer and does not assume any obligations *vis-à-vis* or relationship of agency or trust for any Holder.

Furthermore, any Agent may, with the consent of the Issuer, delegate any of its obligations under the Securities to a third party which may be not affiliated with Banca Credinvest SA.

### **2. Replacement and Termination of Appointment**

The Issuer may at any time replace any Agent and/or the Lead Manager or terminate the appointment of any Agent and/or the Lead Manager and appoint additional and/or other Agents who may be persons not affiliated with Banca Credinvest SA. In any event, the Issuer shall (i) so long as the Securities are outstanding, provide for the appointment of a Paying Agent who shall have, in case the Securities are listed on the regulated market of a Relevant Stock Exchange, a specified office located in such place as may be required by the rules of the Relevant Stock Exchange and (ii) at all times provide for the appointment of a Calculation Agent who has a specified office located in such place as may be required by the rules of the Relevant Stock Exchange or other applicable rules or regulations.

Any replacement, termination or appointment (other than a change of the registered address of any Agent or the Lead Manager and a change due to an insolvency event with respect to any Agent or the Lead Manager, which shall be of immediate effect) shall be effective after not less than 15 nor more than 45 calendar days prior notice thereof has been given to the Holders.

## **XXI. Changes with regard to the Issuer and the Guarantor (if any)**

### **1. Change of the Issuer's or the Guarantor's Office**

The Issuer or the Guarantor (if any), as the case may be, may, upon giving notice to the Holders, at any time change the office through which it is acting for the purposes of the Securities. As of the effective date of such change, any reference in the Product Documentation to the Issuer shall be construed as CapStone Securities PCC Limited, acting through such office and any reference in the Product Documentation to the Guarantor (if any) shall be construed as Banca Credinvest SA, acting through such office.

### **2. Substitution of the Issuer**

The Issuer may at any time, without the consent of the Holders, substitute for itself as principal obligor under the Securities any person that is (i) an Affiliate of the Issuer, (ii) another company with which the Issuer consolidates, into which it merges or to which it sells, leases, transfers or conveys all or substantially all its assets, or (iii) any branch of such company referred to in (i) and (ii) above (any such company or branch, a "**Substitute Debtor**"), provided that:

- (i) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute Debtor have been taken, fulfilled and done and are in full force and effect;
- (ii) the Issuer has given prior notice of the envisaged date of such substitution to the Holders and, if applicable, to the Relevant Stock Exchange; and
- (iii) if the relevant Final Terms provide that the Securities are guaranteed by the Guarantor, the guarantee of the Guarantor is not affected by such substitution and remains in full force and effect.

As of the effective date of such substitution, any reference in the Product Documentation to the Issuer shall be construed as a reference to the Substitute Debtor.

### **3. No Liability**

In connection with any exercise by the Issuer of its rights provided for in this section VI.A.XXI, the Issuer, acting on behalf of itself or on behalf of its relevant Cell, shall not be responsible or liable for any consequences (irrespective of their nature) suffered by any Holder as a result of the exercise by the Issuer of any such right and, accordingly, no Holder shall be entitled to claim from the Issuer, acting on behalf of itself or on behalf of its relevant Cell, any indemnification or repayment with respect to any consequence whether direct or indirect.

## **XXII. Event of Default**

If an Issuer Event of Default occurs, any Holder may by written notice to the Issuer declare the Securities held by it to be forthwith due and payable, whereupon an amount in the Settlement Currency equal to the Fair Market Value of the Securities held by the relevant Holder shall become due and payable on the fifth Business Day after the receipt of such notice by the Issuer, unless the relevant Issuer Event of Default has been remedied prior to such receipt.

If a Guarantor Event of Default occurs, any Holder of Guaranteed Securities may by written notice to the Issuer declare the Securities held by it to be forthwith due and payable, whereupon an amount in the Settlement Currency equal to the Fair Market Value of the Securities held by the relevant Holder shall become due and payable on the fifth Business Day after the receipt of such notice by the Issuer, unless the relevant Guarantor Event of Default has been remedied prior to such receipt.

## **XXIII. Determinations Binding**

Save as otherwise provided for in the relevant Final Terms or this Base Prospectus, any determination, calculation, quotation or decision made by the Issuer, acting on behalf of itself or on behalf of its relevant Cell, the Lead Manager or any Agent shall be made in its sole and absolute discretion, provided such determination, calculation, quotation or decision is made in good faith and in a commercially reasonable manner. All determinations, calculations, quotations, decisions, communications, publications and opinions made, given or expressed by the Issuer, acting on behalf of itself or on behalf of its relevant Cell, the Lead Manager or any Agent in respect of the Securities shall (in the absence of manifest or proven error or wilful misconduct) be conclusive and binding on the other Agents, the Lead Manager, the Issuer and/or the Holders.

#### **XXIV. Liability of the Issuer and the Agents**

None of the Issuer, acting on behalf of itself or on behalf of its relevant Cell, the Lead Manager or any Agent shall have any responsibility for any errors or omissions or subsequent corrections made in the calculation, determination, communication or publication of any rate, fixing level, amount, event or any other decision required to be made by it in relation to the Securities, whether caused by negligence or otherwise (other than gross negligence or wilful misconduct). Furthermore, no Holder shall be entitled to make any claim against the Issuer, acting on behalf of itself or on behalf of its relevant Cell, the Lead Manager or any Agent in case where any third party has made any misstatement as to the Underlying or any other aspect of the Securities.

#### **XXV. Default Interest**

If the Issuer for any reason (other than due to the occurrence of any of the events set out in section VI.A.XV (*Settlement Disruption Events*), section VI.A.XVI (*FX Disruption Events*), section VI.A.XVII (*Illiquidity Events*) or any other event set out in sections VI.B (*Additional General Conditions applicable to Securities linked to Shares*), VI.C (*Additional General Conditions applicable to Securities linked to Indices*), VI.D (*Additional General Conditions applicable to Securities linked to Commodities*), VI.E (*Additional General Conditions applicable to Securities linked to Currency Exchange Rates*) and VI.F (*Additional General Conditions applicable to Securities linked to Funds*)) fails to render any payment or fails to make any delivery of assets in respect of the Securities when due, interest shall accrue at the default rate established by statutory law on the due amount from and including the due date to but excluding the day on which such payment or delivery is made by the Issuer or the Paying Agent, it being understood that such payment or delivery is deemed to have been made at that time it is made to, or to the order of, the relevant Clearing System(s) or the relevant intermediary or intermediaries. In no event shall the Issuer, acting on behalf of itself or on behalf of its relevant Cell, have any liability for indirect, incidental, consequential or other damages other than default interest.

#### **XXVI. Notices**

##### **1. Notices to the Issuer and the Guarantor**

Unless otherwise specified in the relevant Final Terms or in this Base Prospectus, notice may be given to the Issuer and the Guarantor by delivering such notice in writing to the sole corporate director Albecq Directors Limited, Suite 6 Provident House, Havilland Street, St Peter Port, Guernsey GY1 2Q, or such other address as may be specified in the relevant Final Terms or notified to the Holders in accordance with section VI.A.XXVI.2 (*Notices to the Holders*) below.

##### **2. Notices to the Holders**

Notices to Holders relating to the Securities shall be valid and binding once published on the internet under [www.css-pcc.com](http://www.css-pcc.com) (or any succeeding internet website) in section Products. The Issuer may, in lieu of a publication on the internet, deliver relevant notices to the relevant Clearing System or Clearing Systems, for communication by the Clearing System(s) to the Holder, provided that, so long as any Securities are listed on a Relevant Stock Exchange, the rules of the Relevant Stock Exchange permit such form of notice. Any such notice shall be deemed to have been given to the Holders on the day on which the said notice was given to the Clearing System(s). If the Securities are listed on the regulated market of a Relevant Stock Exchange, notices to Holders will further or, at the option of the Issuer, solely be published in accordance with the rules and regulations of such Relevant Stock Exchange in force at the time the relevant notice is given.

Notices to Holders relating to the Issuer will be published under [www.css-pcc.com](http://www.css-pcc.com) (or any succeeding internet website).

Notices to Holders relating to the Guarantor (if any) will be published under [www.css-pcc.com](http://www.css-pcc.com) (or any succeeding internet website).

#### **XXVII. Prescription**

In accordance with Swiss law, any claims for any payment with respect to the Securities shall become time-barred (i) in the case of any interest payment after a period of five years, and (ii) otherwise, after a period of ten years, in each case calculated from the date on which the relevant payment first becomes due and payable.

#### **XXVIII. Amendments**

The Issuer may from time to time modify, amend or supplement the relevant Final Terms of the Securities or this Programme in each case without the consent of the Holders in such manner as the Issuer deems necessary or desirable, if, in the opinion of the Issuer, such modification, amendment or supplement:

- (i) is of a formal, minor or technical nature;
- (ii) is made to correct or supplement any defective provision in the Product Documentation;
- (iii) is made to cure any uncertainty or ambiguity;
- (iv) is made to cure a manifest or proven error;
- (v) is made to correct an error or omission which would, in the absence of such correction, result in the Product Documentation not representing the intended terms of the Securities on which the Securities were sold and have since traded; or
- (vi) will not materially and adversely affect the interests of the Holders.

Notwithstanding the above, the Issuer shall be entitled to modify, amend or supplement any provision in the Product Documentation where the relevant Final Terms or this Base Prospectus provide for such modification, amendment or supplement or where the Issuer reasonably believes that such modification, amendment or supplement is necessary or appropriate as a result of a change in any law or regulation or decisions taken by courts of law or governmental authorities in Switzerland or any other jurisdiction.

All modifications, amendments or supplements made in accordance with this section VI.A.XXVIII shall be conclusive and binding on the Holders. The Holders will not be entitled to any compensation from the Issuer or any Agent for any losses suffered as a result of such modifications, amendments or supplements. Any modification, amendment or supplement made shall be notified to the Holders in accordance with section VI.A.XXVI (*Notices*) provided that any failure to give such notice, or non-receipt thereof, shall have no effect with regard to the validity of the respective modification, amendment or supplement.

#### **XXIX. Severability**

If, at any time, any part or provision of the relevant Final Terms or this Base Prospectus is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining parts or provisions nor the legality, validity or enforceability of such part or provision under the law of any other jurisdiction shall in any way be affected or impaired.

#### **XXX. Governing Law and Jurisdiction**

The Securities are governed by Swiss law.

The exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Securities shall be the courts of the city of Zurich Switzerland.



## **B. ADDITIONAL GENERAL CONDITIONS APPLICABLE TO SECURITIES LINKED TO SHARES**

### **I. Adjustments**

#### **1. In General**

The Issuer has the right to adjust the parameters of the Securities and/or to modify the Product Documentation upon the occurrence of certain events or incidents, some of which are listed in this section VI.B.I. The Holders acknowledge that this section VI.B.I does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the Issuer shall be entitled to make certain adjustments to the parameters of the Securities and/or modifications to the Product Documentation. Similarly, the Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Final Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances.

All adjustments and/or modifications made by the Issuer and/or the Calculation Agent pursuant to this section VI.B.I shall be conclusive and binding on the Holders. Furthermore, the relevant Final Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Securities and/or a modification of the Product Documentation. The Holders will not be entitled to any compensation from the Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

#### **2. Potential Adjustment Events**

If the Calculation Agent determines that a Potential Adjustment Event has occurred, it shall in the case of Securities with a Share/Shares or a Basket of Shares as Underlying:

- (i) determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value or the market value of the relevant Share(s); and, if this is the case,
- (ii) make such adjustment (in each case if applicable) to (a) the calculation of the Redemption Amount, the Value of the Strategy and/or the Value of the Certificate, (b) the number of Underlyings or Basket Components (including, without limitation, any replacement of one or more Basket Components by components which are currently not included in the relevant Basket), (c) the weighting of the Basket Components, (d) the amount, number of or type of shares or other securities which may be delivered in respect of such Securities and/or (e) any other parameter relevant for the exercise, valuation, redemption, settlement or payment terms or any other terms of the relevant Securities as it deems appropriate in order to (A) account for the dilutive or concentrative effect of the respective Potential Adjustment Event or (B) preserve the economic equivalent of the rights of the Holders immediately prior to the occurrence of such Potential Adjustment Event.

The determination whether and to what extent an adjustment should be made following the occurrence of a Potential Adjustment Event shall be made by the Calculation Agent in its sole and absolute discretion having regard to standard market practices. When making its determinations, the Calculation Agent may take into account any adjustments made to the terms of option or futures contracts (if any) which relate to the Share(s) and which are traded on a Related Exchange, it being understood that the Calculation Agent shall neither be obligated to take into account any such adjustments nor be bound by any such adjustments.

If a Potential Adjustment Event would involve the distribution of shares and/or other tradable financial instruments to existing shareholders, then the Calculation Agent will endeavour to carry out the adjustments to the extent possible by way of amending the relevant Final Terms of the respective Securities such that they provide for the right to purchase a combination of such shares and/or other tradable financial instruments.

Any adjustment made pursuant to this section VI.B.I.2 shall be effective as of the date determined by the Calculation Agent in its reasonable discretion.

#### **3. Extraordinary Events**

If the Calculation Agent determines that an Extraordinary Event has occurred, then the Issuer may, in the case of Securities with a Share or Shares (but not a Basket of Shares) as Underlying, determine that the relevant Securities shall be redeemed early, in which case (i) the relevant Securities shall cease to be exercisable or redeemable as of the Extraordinary Event Announcement Date (or, in the case of any Securities which have been exercised or redeemed but with regard to which settlement did not yet take place, the entitlements of the respective Holders under the relevant Securities to receive any redemption payment in cash or in kind, as the case may be, shall cease as of the Extraordinary Event Announcement Date), and (ii) the relevant Securities shall be redeemed at an amount equal to the Extraordinary Event Redemption Amount.

If the Calculation Agent determines that an Extraordinary Event has occurred, then the Calculation Agent may, in the case of Securities with a Basket of Shares as Underlying or in the case of Securities with a Share or Shares as Underlying for which the Issuer did not determine that an early redemption shall take place in accordance with the immediately preceding paragraph, make such adjustment (in each case if applicable) to (i) the calculation of the Redemption Amount, the Value of the Strategy and/or the Value of the Certificate, (ii) the number of Underlyings or Basket Components, (iii) the weighting of the Basket Components, (iv) the amount, number of or type of shares or other securities which may be delivered in respect of such Securities and/or (v) any other parameter relevant for the exercise, valuation, redemption, settlement or payment terms or any other terms of the relevant Securities as it deems appropriate to preserve the economic equivalent of the rights of the Holders immediately prior to the occurrence of such Extraordinary Event.

The determinations by the Issuer or the Calculation Agent pursuant to this section VI.B.1.3 shall be made in the Issuer's or the Calculation Agent's sole and absolute discretion having regard to standard market practices. Any early redemption or adjustment made pursuant to this section VI.B.1.3 shall be effective as of the date determined by the Issuer or, as the case may be, the Calculation Agent in its reasonable discretion.

#### **Delisting Event**

If the Calculation Agent determines that a Delisting Event has occurred, then the Issuer may, in the case of Securities with a Share or Shares (but not a Basket of Shares) as Underlying, determine that the relevant Securities shall be redeemed early, in which case (i) the relevant Securities shall cease to be exercisable or redeemable as of the Delisting Announcement Date (or, in the case of any Securities which have been exercised or redeemed but with regard to which settlement did not yet take place, the entitlements of the respective Holders under the relevant Securities to receive any redemption payment in cash or in kind, as the case may be, shall cease as of the Delisting Announcement Date), and (ii) the relevant Securities shall be redeemed at an amount equal to the Delisting Redemption Date. Instead of a payment of the Delisting Redemption Date, the Issuer may, but is not obliged to, deliver the corresponding number of the affected Shares, whereas any potential fractional entitlements will be paid in cash.

If the Calculation Agent determines that a Delisting Event has occurred, then the Calculation Agent shall, in the case of Securities with a Basket of Shares as Underlying, be entitled to either (i) remove the affected Basket Component from the Basket without replacement or (ii) replace the Basket Component in whole or in part by a successor basket component (each such basket component, a "**Successor Basket Component**"), in each case if applicable by implementing correction factors with respect to the remaining Basket Components. In the case of a replacement of a Basket Component by a Successor Basket Component, such Successor Basket Component shall for all purposes of the Securities be treated as Basket Component.

The determinations by the Issuer or the Calculation Agent pursuant to this section VI.0 shall be made in the Issuer's or the Calculation Agent's sole and absolute discretion having regard to standard market practices. Any early redemption or adjustment made pursuant to this section VI.0 shall be effective as of the date determined by the Issuer or, as the case may be, the Calculation Agent in its reasonable discretion.

#### **4. Further Adjustments**

Sections VI.B.1.2 (*Potential Adjustment Events*) to 0 (*Delisting Event*) shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the Calculation Agent, has a comparable effect as the events described in these sections.

#### **5. Notices of Adjustment**

The Issuer shall give notice to the Holders of any adjustment or modification which has been made according to this section VI.B.I, provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the respective adjustment or amendment.

## **II. Market Disruption Events**

If the Lead Manager or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying or any underlying constituent or component, then (i) such day shall be postponed to the first Exchange Business Day following the day on which the Market Disruption Event ceases to continue and (ii) the Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the day for such fixing, observation or valuation provided for in (i) above). In the case of such postponement, any payment(s) or delivery/-ies under the Securities dependent on the relevant fixing, observation or valuation may be

suspended until one Exchange Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five (5) consecutive Exchange Business Days, then the Lead Manager or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying or the respective underlying constituent or component may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant Share in its sole and absolute discretion having regard to standard market practices.

In the case of Securities with a Basket of Shares as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

### III. Definitions

For the purposes of this section VI.B:

**"Delisting Announcement Date"** means the date on which the Related Exchange or an exchange or quotation system located in the same jurisdiction as the Relevant Stock Exchange announces that pursuant to its rules a Delisting Event will occur.

**"Delisting Redemption Date"** means an amount which the Calculation Agent in its reasonable discretion and in accordance with established market practices determines to be the Fair Market Value of the Securities.

**"Delisting Event"** means, in respect of any Share which is the Underlying of the Securities or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying of the Securities, that during the lifetime of the Securities the relevant Share or Shares cease(s) to be listed, traded or publicly quoted on the Related Exchange or an exchange or quotation system located in the same jurisdiction as the Relevant Stock Exchange (if applicable).

**"Extraordinary Event"** means, in respect of any Share which is the Underlying of the Securities or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying of the Securities, that during the lifetime of the Securities (i) the relevant Share or Shares is/are reclassified or changed in a way that results in a transfer of or an irrevocable commitment to transfer 50 per cent. or more of such Shares that are outstanding, (ii) the person which has issued the relevant Share(s) consolidates, amalgamates or merges with or into another person (other than a consolidation, amalgamation or merger following which such person is the surviving entity), (iii) the relevant Share or Shares is/are subject to a Takeover Event, (iv) the relevant Share or Shares is/are subject to a Nationalization Event or (v) relevant Share or Shares is/are subject to an Insolvency Event.

**"Extraordinary Event Announcement Date"** means (i) in respect of any of the events described in (i), (ii) and (iii) of the definition of "Extraordinary Event", the date upon which the holders of the requisite number of Shares to constitute an Extraordinary Event have agreed to or have irrevocably become obliged to transfer their Shares, (ii) in respect of a Nationalization Event, the date of the first public announcement of a firm intention, to nationalize (whether or not amended or on the terms originally announced) that leads to the occurrence of the Nationalization Event and (iii) in respect of an Insolvency Event, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the occurrence of the Insolvency Event.

**"Extraordinary Event Redemption Amount"** means an amount which the Calculation Agent in its reasonable discretion having regard to standard market practices determines to be the Fair Market Value of the Securities.

<b>"Insolvency Event"</b>	means, with respect to any Shares, that by reason of a voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting the person issuing the relevant Shares (i) all of the Shares are required to be transferred to a trustee, liquidator or similar official or (ii) the shareholders become legally prohibited from transferring the Shares.
<b>"Market Disruption Event"</b>	means, in respect of any Share which is the Underlying of the Securities or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying of the Securities, and unless otherwise specified in the relevant Final Terms, the occurrence or existence of any one or more of the following events: (i) any suspension or material disruption of or material limitation imposed on trading in such Share by the Related Exchange or otherwise; (ii) any suspension or material disruption of or material limitation imposed on trading of options or futures referencing such Share on any exchange on which option or futures contracts referencing such Share are traded; (iii) failure by the respective Related Exchange or other price source, as applicable, to announce or publish the final closing in respect of such Share (including, without limitation, due to an ordinary or extraordinary exchange holiday); and (iv) any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for such Share or option or futures contracts referencing such Share, it being understood that for the purpose of this definition (a) a limitation with regard to the hours and number of days of trading does not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Related Exchange or, with respect to paragraph (ii) above, the exchange on which option or futures contracts referencing the relevant Share are traded and (b) a limitation on trading imposed during the course of a day by reason of price movements otherwise exceeding levels permitted by the Related Exchange and/or the relevant exchange on which option or futures contracts referencing the respective Share are traded does constitute a Market Disruption Event.
<b>"Nationalization Event"</b>	means, in respect to any Shares, that all of the Shares or all or substantially all of the assets of the person issuing the relevant Shares are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.
<b>"Potential Adjustment Event"</b>	means, in respect of any Share which is the Underlying of the Securities or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying of the Securities, any event that may have a diluting or concentrative effect on the theoretical value or market value of the relevant Share(s) and includes, without limitation, the declaration of the relevant person issuing the respective Share(s) to (a) split, subdivide, consolidate or reclassify the Share(s) (other than a subdivision, consolidation or reclassification which qualifies as an Extraordinary Event pursuant to section VI.B.1.3 ( <i>Extraordinary Events</i> )); (b) distribute to existing equity holders (i) additional Shares (either for free or against consideration) or (ii) other financial instruments granting the right to payment of dividends and/or liquidation proceeds in respect of the relevant person equally or proportionally with such payments to equity holders or (iii) any other type of financial instruments, rights or other assets, in any case for payment at less than the prevailing market price as determined by the Calculation Agent; or (c) distribute to existing equity holders an extraordinary dividend.
<b>"Successor Basket Component"</b>	has the meaning ascribed to it in section 0 ( <i>Delisting Event</i> ).
<b>"Takeover Event"</b>	means that, in relation to any Shares, the Calculation Agent has reasonably determined that a person or several persons acting in concert has or have acquired (whether through a single transaction or a series of transactions) Shares amounting to a total of 50 per cent. or more of (a) the

aggregate nominal value of all issued Shares then outstanding less (b) the aggregate nominal value of any Shares held by such person or persons as of the Payment Date.

## C. ADDITIONAL GENERAL CONDITIONS APPLICABLE TO SECURITIES LINKED TO INDICES

### I. Adjustments

#### 1. In General

The Issuer has the right to adjust the parameters of the Securities and/or to modify the Product Documentation upon the occurrence of certain events or incidents, some of which are listed in this section VI.C.I. The Holders acknowledge that this section VI.C.I does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the Issuer shall be entitled to make certain adjustments to the parameters of the Securities and/or modifications to the Product Documentation. Similarly, the Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Final Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances.

All adjustments and/or modifications made by the Issuer and/or the Calculation Agent pursuant to this section VI.C.I shall be conclusive and binding on the Holders. Furthermore, the relevant Final Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Securities and/or a modification of the Product Documentation. The Holders will not be entitled to any compensation from the Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

#### 2. Change with regard to the Index Sponsor

If an Index Sponsor ceases to calculate and/or publish an Index which is the Underlying of the Securities or an Index which is part of a Basket of Indices which is the Underlying of the Securities but such Index is calculated and/or published by a successor index sponsor which (i) as reasonably determined by the Issuer uses the same or a substantially similar formula for, and method of calculation of, the Index as the Index Sponsor and (ii) is acceptable to the Issuer (each such successor index sponsor, a "**Successor Index Sponsor**"), then the relevant Successor Index Sponsor shall for all purposes of the Securities be treated as Index Sponsor with respect to the affected Index.

#### 3. Modification of the Calculation of an Index

If during the lifetime of the Securities the Issuer reasonably determines that the Index Sponsor makes a material change in the formula for, or the method of calculating of, an Index which is the Underlying of the Securities or an Index which is part of a Basket of Indices which is the Underlying of the Securities, or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalization or other routine events), then the Issuer may, regardless of whether such change or alteration was made based on an autonomous decision of the Index Sponsor or upon the request from or a decision made by a governmental body or any other third party, either:

- (i) based on an independent third-party expert opinion from an expert selected by the Issuer in its sole and absolute discretion, determine that all calculations and determinations with respect to the Securities shall be made on the basis of such modified index multiplied, if necessary, by a linking coefficient allowing to ensure continuity in the evolution of the Index which is the Underlying of the Securities or, as the case may be, the Index which is part of the Basket of Indices which is the Underlying of the Securities; or
- (ii) choose any of the options provided for in section VI.C.I.5 (*Termination of the Publication of an Index or Termination of License Agreement*).

#### 4. Replacement of an Index

If during the lifetime of the Securities the Index which is the Underlying of the Securities or an Index which is part of a Basket of Indices which is the Underlying of the Securities is being replaced by a substitute index (a "**Substitute Index**"), then the following shall apply:

- (i) If the Issuer reasonably determines that the Substitute Index is (a) calculated on the basis of a substantially similar formula and calculation method as the Index which is being replaced and (b) acceptable to it, then the relevant Substitute Index shall for all purposes of the Securities be treated as Index instead of the Index which is being replaced.

- (ii) If the Issuer reasonably determines that the Substitute Index is calculated on the basis of a formula and/or calculation method which is materially different from the formula and/or calculation method used with respect to the Index which is being replaced or if the Index is materially altered in any other way, then the Issuer may, regardless of whether such change or alteration was made based on an autonomous decision of the Index Sponsor or upon the request from or a decision made by a governmental body or any other third party, either:
- (a) based on an independent third-party expert opinion from an expert selected by the Issuer in its sole and absolute discretion, determine that all calculations and determinations with respect to the Securities shall be made on the basis of such Substitute Index multiplied, if necessary, by a linking coefficient allowing to ensure continuity in the evolution of the Index which is the Underlying of the Securities or, as the case may be, the Index which is part of the Basket of Indices which is the Underlying of the Securities; or
  - (b) choose any of the options provided for in section VI.C.1.5 (*Termination of the Publication of an Index or Termination of License Agreement*).

## 5. Termination of the Publication of an Index or Termination of License Agreement

If, for any reason, on or prior to any fixing date or observation date under the Securities (i) the relevant Index Sponsor permanently ceases the calculation and publication of an Index which is the Underlying of the Securities or an Index which is part of a Basket of Indices which is the Underlying of the Securities without replacing such Index with a Substitute Index or (ii) the license agreement between the Index Sponsor and the Issuer is terminated, then the Issuer shall:

- (i) in the case of Securities with an Index (but not a Basket of Indices) as Underlying, redeem the relevant Securities early at an amount which the Calculation Agent in its reasonable discretion having regard to standard market practices determines to be the Fair Market Value of the Securities; or
- (ii) in the case of Securities with a Basket of Indices as Underlying, at its option, either:
  - (a) make all calculations and/or determinations with respect to the Securities on the basis of the other Indices which are part of the Basket of Indices by (A) increasing the respective Weight of each remaining Index pro rata to its Weight immediately prior to the cessation of the calculation and publication of the affected Index or termination of the license agreement between the Index Sponsor and the Issuer with respect to such Index and (B) reducing the Weight of the affected Index to zero; or
  - (b) redeem the relevant Securities early at an amount which the Calculation Agent in its reasonable discretion having regard to standard market practices determined to be the Fair Market Value of the Securities.

Any amendment with regard to the weight of the remaining Indices upon the cessation of the calculation and publication of an Index or termination of the license agreement between the Index Sponsor and the Issuer described in paragraph (ii)(a) of this section VI.C.1.5 shall be effective as of the date determined by the Issuer in its reasonable discretion.

## 6. Further Adjustments

Sections VI.C.1.2 (*Change with regard to the Index Sponsor*) to VI.C.1.5 (*Termination of the Publication of an Index or Termination of License Agreement*) shall apply *mutatis mutandis* to any other events which, in the reasonable opinion of the Calculation Agent, have a comparable effect as the events described in these sections.

## 7. Notices of Adjustment

The Issuer shall give notice to the Holders of any adjustment or modification which has been made according to this section VI.C.I, provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the respective adjustment or amendment. In case of a redemption of the Securities pursuant to and in accordance with paragraphs (i) or (ii)(b) of section VI.C.1.5 (*Termination of the Publication of an Index or Termination of License Agreement*), the Fair Market Value determined by the Calculation Agent shall be notified to the Holders within a time period of seven (7) Business Days following its determination and paid to the Holders as soon as reasonably practicable after the determination of the Fair Market Value by the Calculation Agent. Upon payment of the Fair Market Value of each Security to the Holders, no further amounts shall be due and payable by the Issuer, acting on behalf of itself or on behalf of its relevant Cell.

## II. Market Disruption Events

If the Lead Manager or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying or any underlying constituent or component, then (i) such day shall be postponed to the first Exchange Business Day following the day on which the Market Disruption Event ceases to continue and (ii) the Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the day for such fixing, observation or valuation provided for in (i) above). In the case of such postponement, any payment(s) or delivery/-ies under the Securities dependent on the relevant fixing, observation or valuation may be suspended until one Exchange Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer, acting on behalf of itself or on behalf of its relevant Cell, shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five (5) consecutive Exchange Business Days, then the Lead Manager or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying or the respective underlying constituent or component may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant Index in its sole and absolute discretion having regard to standard market practices.

In the case of Securities with a Basket of Indices as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

## III. Definitions

For the purposes of this section VI.C:

**"Market Disruption Event"** means, in respect of any Index which is the Underlying of the Securities or, as the case may be, any Index which is part of a Basket of Indices which is the Underlying of the Securities, and unless otherwise specified in the relevant Final Terms, the occurrence or existence of any one or more of the following events: (i) any suspension or disruption of or limitation imposed on trading (including, without limitation, any failure by the respective Related Exchange or other price source, as applicable, to announce or publish the final closing in respect of index components due to an ordinary or extraordinary exchange holiday or for any other reason) in one or several index components or a percentage of the capitalization of the relevant Index specified in the relevant Final Terms; (ii) any suspension or disruption of or limitation imposed on trading of options or futures referencing such Index or one or several index components on any exchange on which option or futures contracts referencing such Index are traded; and (iii) any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for (a) one or several index components or a percentage of the capitalization of the relevant Index specified in the relevant Final Terms or (b) option or futures contracts referencing such Index or one or several index components, it being understood that for the purpose of this definition (a) a limitation with regard to the hours and number of days of trading does not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Related Exchange or, with respect to (ii) above, the exchange on which option or futures contracts referencing the relevant Index or one or several index components are traded and (b) a limitation on trading imposed during the course of a day by reason of price movements otherwise exceeding levels permitted by the relevant exchange on which option or futures contracts referencing the respective Index are traded does constitute a Market Disruption Event.

**"Substitute Index"** has the meaning ascribed to it in section VI.C.1.4 (*Replacement of an Index*).

**"Successor Index Sponsor"** has the meaning ascribed to it in section VI.C.1.2 (*Change with regard to the Index Sponsor*).

## **D. ADDITIONAL GENERAL CONDITIONS APPLICABLE TO SECURITIES LINKED TO COMMODITIES**

### **I. Adjustments**

#### **1. In General**

The Issuer has the right to adjust the parameters of the Securities and/or to modify the Product Documentation upon the occurrence of certain events or incidents, some of which are listed in this section VI.D.I. The Holders acknowledge that this section VI.D.I does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the Issuer shall be entitled to make certain adjustments to the parameters of the Securities and/or modifications to the Product Documentation. Similarly, the Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Final Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances.

All adjustments and/or modifications made by the Issuer and/or the Calculation Agent pursuant to this section VI.D.I shall be conclusive and binding on the Holders. Furthermore, the relevant Final Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Securities and/or a modification of the Product Documentation. The Holders will not be entitled to any compensation from the Issuer, acting on behalf of itself or on behalf of its relevant Cell, or any Agent for any losses suffered as a result of such adjustments or modifications.

#### **2. Replacement of Fixing Level**

If on or prior to any fixing date or observation date under the Securities, the Calculation Agent determines in its sole discretion having regard to standard market practices that the fixing level with respect to a Commodity which is the Underlying of the Securities or a Commodity which is part of a Basket of Commodities which is the Underlying of the Securities is either:

- (i) not calculated and published by the Related Exchange or any other person responsible for the calculation and/or publication but is calculated and published by a successor of such Related Exchange or other person which is acceptable to the Issuer; or
- (ii) replaced by a successor fixing level calculated on the basis of a substantially similar formula and calculation method as the fixing level which is being replaced,

then, in each case, such fixing level shall for all purposes of the Securities be treated as fixing level with respect to the relevant Commodity instead of the fixing level which is being replaced.

#### **3. Correction to Published Fixing Level**

If a fixing level with respect to a Commodity which is the Underlying of the Securities or a Commodity which is part of a Basket of Commodities which is the Underlying of the Securities published on any day during the lifetime of the Securities and used or to be used by the Calculation Agent to determine a redemption amount or other amount to be paid under the Securities is subsequently corrected and the relevant correction is published by the Related Exchange or any other person responsible for the calculation and/or publication of such fixing level no later than two (2) Exchange Business Days prior to the date on which such payment is due to be made, such corrected fixing level shall be deemed to be the fixing level for the purpose of the determination of the respective payment amounts and the Issuer shall have the right to make such adjustments to the terms and conditions of the Securities as it deems necessary to account for such correction.

### **II. Market Disruption Events**

If the Lead Manager or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying or any underlying constituent or component, then (i) such day shall be postponed to the first Exchange Business Day following the day on which the Market Disruption Event ceases to continue and (ii) the Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the day for such fixing, observation or valuation provided for in (i) above). In the case of such postponement, any payment(s) or delivery/-ies under the Securities dependent on the relevant fixing, observation or valuation may be



suspended until one Exchange Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer, acting on behalf of itself or on behalf of its relevant Cell, shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five (5) consecutive Exchange Business Days, then the Lead Manager or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying or the respective underlying constituent or component may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant Commodity in its sole and absolute discretion having regard to standard market practices.

In the case of Securities with a Basket of Commodities as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

### III. Definitions

For the purposes of this section VI.D:

**"Market Disruption Event"** means in respect of any Commodity which is the Underlying of the Securities or, as the case may be, any Commodity which is part of a Basket of Commodities which is the Underlying of the Securities, and unless otherwise specified in the relevant Final Terms, the occurrence or existence of any one or more of the following events:

- (i) any suspension or material disruption of or material limitation imposed on trading in such Commodity by the Related Exchange or otherwise;
- (ii) any suspension or material disruption of or material limitation imposed on trading of options or futures referencing such Commodity on any exchange on which option or futures contracts referencing such Commodity are traded;
- (iii) failure by the respective Related Exchange or other price source, as applicable, to announce or publish a price or level in respect of such Commodity (including, without limitation, due to an ordinary or extraordinary exchange holiday);
- (iv) failure of trading to commence, or the permanent discontinuation of trading (a) in the Commodity on the respective Related Exchange or (b) in option or futures contracts referencing such Commodity on any exchange on which option or futures contracts referencing such Commodity are traded;
- (v) any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for such Commodity or option or futures contracts referencing such Commodity;
- (vi) the occurrence since the Initial Fixing Date of a material change in (a) the formula for or method used for the calculation of the price or level of such Commodity or (b) the content, composition or constitution of such Commodity or option or futures contracts referencing such Commodity; and
- (vii) the imposition of, change in, or removal of any Taxes on, or measured by reference to, such Commodity or option or futures contracts referencing such Commodity (other than a tax on, or measured by reference to, overall gross or net income) by any government authority or other body having the power to tax, if the direct impact of such imposition, change or removal is to raise or lower a relevant level or price on the

Exchange Business Day from what it would have been without such imposition, change or removal,

it being understood that for the purpose of this definition (a) a limitation with regard to the hours and number of days of trading does not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Related Exchange or, with respect to (ii) above, the exchange on which option or futures contracts referencing the relevant Share are traded and (b) a limitation on trading imposed during the course of a day by reason of price movements otherwise exceeding levels permitted by the Related Exchange and/or the relevant exchange on which option or futures contracts referencing the respective Share are traded does constitute a Market Disruption Event.

## **E. ADDITIONAL GENERAL CONDITIONS APPLICABLE TO SECURITIES LINKED TO CURRENCY EXCHANGE RATES**

### **I. Adjustments**

#### **1. In General**

The Issuer has the right to adjust the parameters of the Securities and/or to modify the Product Documentation upon the occurrence of certain events or incidents, some of which are listed in this section VI.E.I. The Holders acknowledge that this section VI.E.I does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the Issuer shall be entitled to make certain adjustments to the parameters of the Securities and/or modifications to the Product Documentation. Similarly, the Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Final Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances.

All adjustments and/or modifications made by the Issuer and/or the Calculation Agent pursuant to this section VI.E.I shall be conclusive and binding on the Holders. Furthermore, the relevant Final Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Securities and/or a modification of the Product Documentation. The Holders will not be entitled to any compensation from the Issuer, acting on behalf of itself or on behalf of its relevant Cell, or any Agent for any losses suffered as a result of such adjustments or modifications.

#### **2. Market Disruption Events**

If the Lead Manager or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying or any underlying constituent or component, then (i) such day shall be postponed to the first Exchange Business Day following the day on which the Market Disruption Event ceases to continue and (ii) the Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the day for such fixing, observation or valuation provided for in (i) above). In the case of such postponement, any payment(s) or delivery/-ies under the Securities dependent on the relevant fixing, observation or valuation may be suspended until one Exchange Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer, acting on behalf of itself or on behalf of its relevant Cell, shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five (5) consecutive Exchange Business Days, then the Lead Manager or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying or the respective underlying constituent or component may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant foreign exchange rate in its sole and absolute discretion having regard to standard market practices.

In the case of Securities with a Basket of foreign exchange rates as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

## II. Definitions

For the purposes of this section VI.E:

**"Market Disruption Event"** means in respect of any foreign exchange rate which is the Underlying of the Securities or, as the case may be, any foreign exchange rate which is part of a Basket of foreign exchange rates which is the Underlying of the Securities, and unless otherwise specified in the relevant Final Terms, the occurrence or existence of any one or more of the following events:

- (i) any suspension or material disruption of or material limitation imposed on foreign exchange trading in at least one of the currencies related to the exchange rate or exchange rates which is/are the Underlying(s) of the Securities;
- (ii) a restriction on the convertibility of at least one of the currencies related to the exchange rate or exchange rates which is/are the Underlying(s) of the Securities;
- (iii) the impossibility to obtain an exchange rate or exchange rates which is/are the Underlying(s) of the Securities;
- (iv) any suspension or material disruption of or material limitation imposed on trading of options or futures referencing the exchange rate or exchange rates which is/are the Underlying(s) of the Securities on any exchange on which option or futures contracts referencing the exchange rate or exchange rates are traded; and
- (v) any other event that disrupts or impairs the ability of market participants in general to effect transactions in at least one of the currencies related to the exchange rate or exchange rates or option or futures contracts referencing the exchange rate or exchange rates which is/are the Underlying(s) of the Securities or to obtain the levels of the respective exchange rate or exchange rates.

## F. ADDITIONAL GENERAL CONDITIONS APPLICABLE TO SECURITIES LINKED TO FUNDS

The provisions set out in section VI.C (*Additional General Conditions applicable to Securities linked to Indices*) shall apply *mutatis mutandis* to Securities with funds or a Basket of funds as Underlying, taking into account any specific adjustments made by the respective fund's management and any further determinations and adjustments made by the Calculation Agent in its sole and absolute discretion having regard to standard market practices. The Issuer shall give notice to the Holders of any adjustment or modification made with respect to Securities with funds or a Basket of funds as Underlying, provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the respective adjustment or amendment.

## G. DEFINITIONS

For the purpose of these General Conditions, the following terms shall have the meaning ascribed to them below. The definitions are applicable to all Securities issued under this Base Prospectus and shall be read in conjunction with the additional terms and conditions set out in the Final Terms related to the Securities. Definitions used in the relevant Final Terms, but not defined or not defined otherwise herein or in another section of this Base Prospectus, shall have the meaning given to them in the Final Terms. If a term is neither defined herein nor in the Final Terms, it shall have the meaning in relation to the relevant Security that corresponds to standard market practice taking into account the concrete features of the relevant Security.

"Affiliate"	means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.
"Agent(s)"	means the Calculation Agent, the Paying Agent or any other agent appointed by the Issuer as specified in the relevant Final Terms (or all of them together), subject to a replacement or termination of appointment in accordance with section VI.A.XX ( <i>Agents</i> ).
"AMC"	means actively managed certificate.
"Banca Credinvest Guarantee"	has the meaning ascribed to it in section VI.A.IV ( <i>Guarantee</i> ). Any guarantee issued by Banca Credinvest SA will be limited to one specific Guaranteed Security.
"Banking Act"	means the Swiss Federal Act on Banks and Savings Banks ( <i>Bundesgesetz über die Banken und Sparkassen</i> ).
"Base Prospectus"	has the meaning ascribed to it on the first page of this document.
"Basket"	means (i) in respect of a Share, the basket of Shares, as specified in the relevant Final Terms, subject to adjustments, (ii) in respect of an Index, the basket of Indices, as specified in the relevant Final Terms, subject to adjustments, and (iii) in respect of any other Underlying, the basket of such other Underlyings, as specified in the relevant Final Terms, subject to adjustments.
"Basket Component(s)"	means the component or components of the Basket which may vary during the lifetime of the Securities in accordance with the terms and conditions set out in the relevant Final Terms.
"Bloomberg"	means Bloomberg Limited Partnership (and any successor thereto).
"Borrowing Entity"	means the Issuer or any Affiliate(s) of the Issuer or any other entity (or entities) acting on behalf of the Issuer engaged in any underlying or borrowing transactions in respect of the Issuer's obligations under or in connection with the Securities.
"Breakage Costs"	means the amount of losses or costs of the Issuer, the Hedging Entity or the Borrowing Entity that are or would be incurred in terminating any hedging or borrowing arrangement or in replacing or providing the Issuer the economic equivalent of the material terms that the Issuer would have had under the Securities but for the occurrence of the relevant event that led to the (early) redemption of the Securities.
"Business Day"	means in connection with any payment procedure (i) a day on which foreign exchange markets settle payments in the Settlement Currency; (ii) if "T2" is specified in the relevant Final Terms, any day on which T2 (the real time gross settlement system opened by the Eurosystem (or any successor thereto)) is open; and (iii) any other day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places as specified in the relevant Final Terms in the section headed 'Business Days'.
"Business Day Convention"	means the business day convention specified in the relevant Final Terms (if any) and further described in section VI.A.XIV ( <i>Business Day Convention</i> ).

<b>"Calculation Agent"</b>	means the entity specified as calculation agent in the relevant Final Terms.
<b>"Cash Settlement"</b>	means the redemption of the Securities by means of a payment in cash.
<b>"Change of Law"</b>	means that, on or after the Issue Date of the Securities (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (a) it has become illegal to hold, acquire or dispose of the underlying relating to the Securities and/or to enter into any hedging or borrowing transactions that the Issuer, the Hedging Entity or the Borrowing Entity would enter into in the normal course of business, or (b) it will incur a materially increased cost, fee, expense or other burden in performing its obligations under the Securities (including, without limitation, any increase in capital charges, decrease in capital charge benefits or other effect on its capital charges or any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).
<b>"CISA"</b>	means the Swiss Federal Act on Collective Investment Schemes ( <i>Bundesgesetz über die kollektiven Kapitalanlagen</i> ), as amended.
<b>"Clearing" or "Clearing System(s)"</b>	means the clearing system(s) specified in the relevant Final Terms.
<b>"CO"</b>	means the Swiss Code of Obligations ( <i>Bundesgesetz betreffend die Ergänzung des Schweizerischen Zivilgesetzbuches (Fünfter Teil: Obligationenrecht)</i> ), as amended.
<b>"Commodity"</b>	means, in respect of any Security with a Commodity/Commodities or a Basket of Commodities as Underlying, any commodity or precious metal, as specified in the relevant Final Terms.
<b>"Commodity Index"</b>	means, with respect to Securities with a Commodity Index or Commodity Indices as Underlying, the relevant commodity index, as specified in the relevant Final Terms.
<b>"Currency Unit"</b>	means the lowest amount of a currency that is available as legal tender in the country or countries of such currency.
<b>"Delivery Expenses"</b>	means all expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties, that arise from the delivery and/or transfer of any Underlying.
<b>"DEBA"</b>	means the Swiss Federal Debt Collection and Bankruptcy Act ( <i>Bundesgesetz über Schuldbetreibung und Konkurs</i> ), as amended.
<b>"Distributor(s)"</b>	means a person or entity or persons or entities appointed by the Issuer to promote and market Securities to their clients to the extent permitted by the applicable laws and regulations and as specified in the relevant Final Terms.
<b>"Early Redemption"</b>	means a redemption of the Securities following the occurrence of an Early Redemption Event.
<b>"Early Redemption Amount"</b>	means, in respect of each Security, an amount in the Settlement Currency to be determined by the Calculation Agent on the basis of the Fair Market Value of the Securities, taking into account the event that led to the Early Redemption, determined by the Calculation Agent in its sole and absolute discretion having regard to standard market practices.
<b>"Early Redemption Date"</b>	has the meaning ascribed to it in section VI.A.XIX ( <i>Early Redemption following the occurrence of an Early Redemption Event</i> ).

- "Early Redemption Event"** means any of the early redemption events specified in the relevant Final Terms.
- "Exchange Business Day"** means, unless otherwise specified in the relevant Final Terms:
- (i) in respect of Securities with a Share/Shares or, as the case may be, a Basket of Shares as Underlying, a Trading Day on which (a) the Related Exchange is operating, on which the relevant Share(s) is/are quoted and (b) the futures or options on the relevant Share(s) (if any) are traded on an exchange on which option or futures contracts referencing the relevant Share(s) generally are traded, subject to any market disruption event;
  - (ii) in respect of Securities with an Index/Indices or, as the case may be, a Basket of Indices as Underlying, a day on which the relevant Index is calculated and published by the Index Sponsor, subject to any market disruption event;
  - (iii) in respect of Securities with any Underlying other than a Share/Shares or an Index/Indices or, as the case may be, a Basket of Shares or a Basket of Indices, if the value of such Underlying is determined:
    - (a) by way of a reference to a publication of an official fixing, a day on which such fixing is scheduled to be determined and published by the respective fixing sponsor, subject to any market disruption event;
    - (b) by way of reference to an official cash settlement price, a day on which such official cash settlement price is scheduled to be determined and published by the respective exchange or any other official announcing party, subject to any market disruption event;
    - (c) by way of reference to a price or value source including, without limitation, information providers such as Reuters or Bloomberg, a day on which such price or value source still exists and officially provides for the respective price or value, subject to any market disruption event;
    - (d) by way of reference to an official settlement price a day on which the Related Exchange is scheduled to be open for trading for its respective regular trading session, notwithstanding any such Related Exchange closing prior to its scheduled closing time;
    - (e) by the Calculation Agent at a specific time on a specific date, without reference to any source, a day on which the Calculation Agent can enter into a spot transaction with another counterparty, depending on both parties' respective opening hours;
  - (iv) in respect of Securities with more than one Underlying, irrespective of their nature, and with an income deriving from the calculated number of Exchange Business Days within a pre-defined period of time, a day, on which at least one of the relevant Underlyings can be determined in accordance with (i) to (iii) above, it being understood that for the purpose of the respective income calculation only, the other Underlyings for which such day is not a scheduled Exchange Business Day will be assessed based on their levels of the previous Exchange Business Day.

<b>"Expenses"</b>	means all expenses, costs, charges, levies, tax, duties, withholding deductions or other payments including, without limitation, all depositary, custodial, registration, transaction and exercise charges and all stamp, issues, registration or securities transfer or other similar taxes or duties incurred by the Issuer and/or the Hedging Entity in respect of the Issuer's obligations under the Securities.
<b>"Fair Market Value"</b>	means the fair market value of the Securities less any Breakage Costs as determined by the Calculation Agent in its sole and absolute discretion having regard to standard market practices.
<b>"FATCA"</b>	Sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended (enacted in 2010 as part of the Foreign Account Tax Compliance Act), and the regulations and other guidance promulgated thereunder, including any intergovernmental agreements concluded between the United States and any other jurisdiction, and any such other jurisdiction's implementing legislation, regulations and guidance related thereto.
<b>"Final Fixing Date"</b>	means, if applicable and subject to the occurrence of any market disruption event, the date specified in the relevant Final Terms or if such date is not an Exchange Business Day the next succeeding Exchange Business Day.
<b>"Final Terms"</b>	has the meaning ascribed to it on the first page of this Base Prospectus.
<b>"FINMA"</b>	means the Swiss Financial Market Supervisory Authority.
<b>"FISA"</b>	means the Swiss Federal Act on Intermediated Securities ( <i>Bundesgesetz über Bucheffekten</i> ), as amended.
<b>"Fixed-end Securities"</b>	has the meaning as ascribed to it in section VI.A.VII ( <i>Term of Securities</i> ).
<b>"FX Disruption"</b>	means the occurrence of an event that makes it impossible for the Issuer and/or its Affiliates to either (i) convert the Relevant Currency into the Settlement Currency or (ii) deliver the Settlement Currency from accounts within the Relevant Country to accounts outside such jurisdiction or (iii) deliver the Relevant Currency between accounts within the Relevant Country to a person that is a non-resident of that jurisdiction.
<b>"Global Securities"</b>	has the meaning as ascribed to it in section VI.A.I ( <i>Form of Securities</i> ).
<b>"Guarantor"</b>	means Banca Credinvest SA, Viale G. Cattori 14, 6902 Lugano, Switzerland.
<b>"Guarantor Event of Default"</b>	<p>means the occurrence of the following events:</p> <ul style="list-style-type: none"> <li>(i) the adjudication of bankruptcy (<i>Konkurseröffnung</i>) pursuant to article 171, 189 or 191 of the DEBA, (b) an application by the Guarantor for, or the granting of, a provisional or definitive stay of execution (<i>provisorische oder definitive Nachlass stundung</i>) pursuant to article 293 et seqq. DEBA, and/or (c) the ordering of liquidation proceedings (<i>Konkursliquidation</i>) pursuant to article 33 to 37g of the Banking Act; or</li> <li>(ii) the Guarantor is generally unable or admits in writing its general inability to pay its debts as they fall due or otherwise acknowledges its insolvency.</li> </ul> <p>For the avoidance of doubt, any postponement or other action taken pursuant to and in accordance with the General Conditions or any other conditions set forth in the Final Terms shall not constitute a Guarantor Event of Default.</p>
<b>"Hedging Disruption"</b>	means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge price risks of issuing and performing any of its or (if different) the

	Issuer's obligations with respect to the Securities, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).
<b>"Hedging Entity"</b>	means the Issuer, the Guarantor or any of their Affiliates or any other entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations under or in connection with the Securities.
<b>"Holder(s)" or "Investor(s)"</b>	means a person entitled to the rights conferred by the Securities, holding Securities through a Securities Account Holder, or, in case of a Securities Account Holder acting for its own account, such Securities Account Holder.
<b>"Holding Company"</b>	means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.
<b>"Illiquidity Event"</b>	means a low or missing trading volume in the Underlying or the difficulty to buy and/or sell the Underlying in a short period of time without its price being affected.
<b>"Increased Costs of Collateralization"</b>	means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute or maintain any transaction(s) or asset(s) it deems necessary to borrow in order to collateralize the Securities provided such collateralization is applicable.
<b>"Increased Costs of Hedging"</b>	means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risks of issuing and performing any of its or (if different) the Issuer's obligations with respect to the Securities, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be regarded as an Increased Cost of Hedging.
<b>"Index"</b>	means, in respect of any Security with an index as Underlying, each index specified in the relevant Final Terms and published by the relevant Index Sponsor.
<b>"Index Sponsor"</b>	means the index sponsor specified in the relevant Final Terms (if any).
<b>"Indices"</b>	means, in respect of any Security with several indices or a Basket of indices as Underlying, the indices specified in the relevant Final Terms and published by the relevant Index Sponsor(s).
<b>"Initial Fixing Date"</b>	means the initial fixing date specified in the relevant Final Terms (if any).
<b>"Interest Commencement Date"</b>	means the interest commencement date specified in the relevant Final Terms (if any).
<b>"Interest Payment Date(s)"</b>	means the interest payment date(s) specified in the relevant Final Terms (if any).
<b>"Intermediated Securities"</b>	has the meaning as ascribed to it in section VI.A.I ( <i>Form of Securities</i> ).
<b>"Issue Date"</b>	means the issue date of the Securities specified in the relevant Final Terms.
<b>"Issue Price"</b>	means the issue price of the Securities specified in the relevant Final Terms.
<b>"Issuer"</b>	means CapStone Securities PCC Limited, a special purpose vehicle in the legal form of a protected cell company limited by shares under the laws of



Guernsey incorporated and registered in Guernsey under registration number 74064.

<b>"Issuer Event of Default"</b>	<p>means the occurrence of the following events:</p> <ul style="list-style-type: none"> <li>(i) there is a default for more than 30 calendar days in any payment due in respect of the Securities; or</li> <li>(ii) any order is made by any competent court or authority in any jurisdiction or any resolution is passed by the Issuer, acting on behalf of its relevant Cell, (a) for the dissolution or winding-up of the Issuer, acting for such relevant Cell, or (b) for the appointment of a liquidator, receiver or administrator of the Issuer or of all or a substantial part of the assets of the Issuer, or (c) with analogous effect for the Issuer, it being understood that anything in connection with a solvent reorganisation, reconstruction, consolidation, amalgamation, merger or similar arrangement shall not constitute an event of default; or</li> <li>(iii) the Issuer, acting on behalf of its relevant Cell, is generally unable or admits in writing its general inability to pay its debts as they fall due or otherwise acknowledges its insolvency.</li> </ul> <p>For the avoidance of doubt, any postponement or other action taken pursuant to and in accordance with the General Conditions or any other conditions set forth in the Final Terms shall not constitute an Issuer Event of Default.</p>
<b>"Lead Manager" or "Sponsor"</b>	means the lead manager or sponsor specified in the relevant Final Terms.
<b>"Maturity Date"</b>	means the maturity date of the Securities specified in the relevant Final Terms (if any).
<b>"Minimum Investment"</b>	means the minimum investment specified in the relevant Final Terms (if any).
<b>"Minimum Trading Lot"</b>	means the minimum trading lot specified in the relevant Final Terms (if any).
<b>"Open-end Securities"</b>	has the meaning as ascribed to it in section VI.A.VII ( <i>Term of Securities</i> ).
<b>"Optional Redemption Amount"</b>	means the optional redemption amount specified in the relevant Final Terms (if any).
<b>"Optional Redemption Date"</b>	means the optional redemption date specified in the relevant Final Terms (if any).
<b>"Paying Agent"</b>	means the paying agent specified in the relevant Final Terms (if any).
<b>"Payment Date"</b>	means the payment date of the Securities specified in the relevant Final Terms.
<b>"Physical Settlement"</b>	means the redemption of the Securities by means of delivery of the Underlying or certain underlying constituents or components at expiry or the agreement to deliver the Underlying or certain underlying constituents or components deliverable in accordance with the relevant Final Terms upon exercise of the Securities, it being understood that (i) instead of any fractions of the Underlying or underlying constituents or components which are to be delivered the Issuer will make a cash payment to the Holders corresponding to the value of such fractional amounts and (ii) it is not possible to consolidate fractional amounts originating from several Securities into deliverable units of the respective Underlying or underlying constituents or components unless the holdings of the respective Holder are aggregated by the Calculation Agent (such aggregation to be made in the sole and absolute discretion of the Calculation Agent).
<b>"Product Documentation"</b>	has the meaning ascribed to it on the first page of this Base Prospectus.

<b>"Products" or "Product"</b>	has the meaning ascribed to it on the first page of this Base Prospectus.
<b>"Put Option Exercise Notice"</b>	means a notice in the form obtainable from the Issuer.
<b>"Redemption Amount" or "Ordinary Redemption Amount"</b>	means the ordinary redemption amount specified in the relevant Final Terms (if any).
<b>"Redemption Date" or "Ordinary Redemption Date"</b>	means the ordinary redemption date specified in the relevant Final Terms (if any).
<b>"Related Exchange"</b>	means (i) the exchange(s) or quotation system(s) on which the relevant Underlying or its constituents or components are traded; (ii) any successor to or substitute of such exchange(s) or quotation system(s) referred to in (i) (provided that the Issuer or the Calculation Agent has determined that there is comparable liquidity with regard to the Underlying on such successor or substitute exchange or quotation system as on the original exchange or quotation system); or (iii) the exchange(s) or quotation system(s) specified in the relevant Final Terms.
<b>"Relevant Country"</b>	means, with respect to any currency, the country or countries which use such currency as legal tender.
<b>"Relevant Currency"</b>	means the currency in which the Underlying is trading on the Related Exchange.
<b>"Relevant Stock Exchange"</b>	means the stock exchange where the Securities are listed, if applicable, as set out in the relevant Final Terms.
<b>"Reuters"</b>	means Reuters news agency, a division of Thomson Reuters Corporation (and any successor thereof).
<b>"Securities" or "Security"</b>	has the meaning ascribed to it on the first page of this Programme.
<b>"Securities Account Holder"</b>	means a financial intermediary entitled to hold accounts with a Clearing System on behalf of its customers or a Holder entitled to an account with SIX SIS or any other Clearing System, as specified in the relevant Final Terms.
<b>"Series"</b>	means two or more Tranches of Securities, designated to constitute a Series in the Final Terms, with the same Underlyings, issued on the same date.
<b>"Settlement Currency"</b>	means the currency to be used for the payment of the Issue Price, any redemption amount or any other amount to be paid under the Securities, as specified in the relevant Final Terms.
<b>"Settlement Disruption Event"</b>	means an event beyond the control of the Issuer and/or the Paying Agent as a result of which the Issuer and/or the Paying Agent cannot make (i) a payment and/or (ii) a delivery of one or more asset(s), in each case to the relevant Clearing System or intermediary as and when such payment or delivery is due to be made.
<b>"Share"</b>	means, in respect of any Security with a Share/Shares or a Basket of Shares as Underlying, each share, depository receipt, or any other equity or equity related instrument or unit of an investment fund, as specified in the relevant Final Terms.
<b>"SIX SIS"</b>	means SIX SIS AG, Olten, Switzerland, or any successor thereof.
<b>"Subsidiary"</b>	Subsidiary of a company or corporation means any company or corporation: <ul style="list-style-type: none"> <li>(i) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or</li> </ul>

- (ii) more than half the issued (share) capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (iii) which is a Subsidiary of another Subsidiary of the first-mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

<b>"Substitute Debtor"</b>	has the meaning as ascribed to it in section VI.A.XXI.2 ( <i>Substitution of the Issuer</i> ).
<b>"Tax"</b>	means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).
<b>"Tax Event"</b>	means any of the following: <ul style="list-style-type: none"> <li>(i) that the Issuer on the occasion of a payment or delivery due under the Securities, has or will become obliged to pay additional amounts as a result of (a) any change in, or amendment to, the laws or regulations of any jurisdiction in which the Issuer is or becomes subject to tax or any political subdivision or any authority thereof or therein having power to tax, or (b) any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; or</li> <li>(ii) any amount is or will be required to be deducted or withheld, including under FATCA or 871(m), and this results, or would result, in the Issuer receiving amounts that are smaller than the Issuer would have received had no such withholding been imposed;</li> </ul> <p>provided, that such obligation cannot be avoided by the Issuer taking reasonable measures (other than the substitution of the Issuer) available to it.</p>
<b>"Trading Day"</b>	means any day that is a scheduled trading day of the Related Exchange, subject to any market disruption event.
<b>"Tranche"</b>	means a number of Securities that are subject to the same conditions.
<b>"Uncertificated Securities"</b>	has the meaning as ascribed to it in section VI.A.I ( <i>Form of Securities</i> ).
<b>"Underlying(s)"</b>	means the underlying or underlyings referenced by the Securities, as specified in the relevant Final Terms.
<b>"Underlying-Level"</b>	means the sum of all Underlyings taking into consideration their respective weightings as calculated by the Calculation Agent on any day converted to the Currency of the respective product at the prevailing exchange rate(s), provided that the Underlying-Level may not become negative and that the calculation also takes into account the effect of all fees, expenses, transaction costs, hedging costs, and taxes (if any) associated with the Investment Strategy.
<b>"Value of the Certificate"</b>	means, if applicable, the value of the Security as determined by the Calculation Agent in its reasonable discretion in accordance with the formula set out in the relevant Final Terms.
<b>"Value of the Strategy"</b>	means, if applicable, the sum of the value/spot price of all Basket Components contained in the Basket at a specific point in time as determined by

the Calculation Agent in its reasonable discretion in accordance with the formula set out in the relevant Final Terms.

**"Weight"**

means for each Basket of Shares, Indices or any other Underlyings, the weight specified for such Underlying or underlying constituents or components, as specified in the relevant Final Terms.

**"871(m)"**

means U.S. Internal Revenue Code Section 871(m) and any regulations or guidance promulgated thereunder.

## VII. FORM OF GUARANTEE

**THIS GUARANTEE** is made on 3 September 2024 by Banca Credinvest SA, a stock corporation organized and existing under the laws of Switzerland, with office address at Viale G. Cattori 14, 6902 Lugano, Switzerland and registered with the commercial register of the Canton of Ticino under number CHE-110.504.840 (the "**Guarantor**") in favour of the Beneficiaries (as defined below).

### WHEREAS:

- (A) CapStone Securities PCC Limited, a special purpose vehicle in the legal form of a protected cell company limited by shares under the laws of Guernsey and incorporated and registered in Guernsey under registration number 74064 (the "**Issuer**"), may, on behalf of certain specified individual protected cells, from time to time issue financial instruments in securitized or uncertificated form (the "**Securities**" and each a "**Security**") under its Base Prospectus dated 3 September 2024 (the "**Base Prospectus**", and together with the final terms relating to the relevant Securities, the "**Product Documentation**");
- (B) In order to secure the claims of the holders of Securities (each such holder a "**Beneficiary**" and together the "**Beneficiaries**") issued by the Issuer on behalf of the relevant Cell under the Base Prospectus which are by their terms and conditions designated to be Securities becoming secured by way of guarantee (the "**Guaranteed Securities**"), the Guarantor enters into this guarantee (the "**Guarantee**").

**NOW, THEREFORE, IT IS AGREED** as follows:

### 1. Definitions and Construction

(a) Definitions

Each capitalized term used in this Guarantee (including the preamble) but not defined in this Guarantee shall have the meaning ascribed to it in the Base Prospectus.

(b) Construction

Unless a contrary indication appears, any reference in this Guarantee to:

- (i) the "**Guarantor**" and the "**Issuer**" (acting on behalf of any of its relevant protected cells) shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under this Guarantee or the Base Prospectus;
- (ii) any reference in this Guarantee to the Base Prospectus is a reference to the Base Prospectus as amended, supplemented, extended, restated or replaced from time to time;
- (iii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational

body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

(iv) a provision of law is a reference to that provision of law as amended or re-enacted;

(v) a time of day is a reference to Swiss time; and

(vi) definitions in the singular shall include the plural and *vice versa*, unless the context requires otherwise.

## 2. Guarantee

(a) Subject to the provisions of this Guarantee, the Guarantor hereby unconditionally and irrevocably, in accordance with article 111 of the Swiss Code of Obligations (*Schweizerisches Obligationenrecht*, "CO"), guarantees to each Beneficiary:

(i) the due and punctual payment by the Issuer of any and all amounts payable by the Issuer as obligor in respect of each Guaranteed Security; and/or

(ii) subject as provided below, the due and punctual delivery of non-cash consideration deliverable by the Issuer in respect of each Guaranteed Security, if applicable,

when and as the same shall become due and payable or when the same shall become due for delivery, as the case may be, pursuant to the Product Documentation (and, for the avoidance of doubt, after any applicable delay or extinguishment due to any event or condition set out in the Product Documentation providing or allowing for such a delay or extinguishment in respect of the respective payment or performance of such delivery obligation) of the respective Guaranteed Securities issued on or after the date hereof.

(b) Subject to the provisions of this Guarantee, in case of the failure of the Issuer punctually to make any such payment or to perform any such delivery obligation, at the time and in the manner required according to the Product Documentation of the relevant Guaranteed Securities, the Guarantor hereby undertakes as an independent, primary and non-accessory obligation within the meaning of article 111 CO and not as a mere surety (*Bürgschaft*) within the meaning of article 492 et seq. CO to make or cause to be made such payment in the currency in which such payment is due in immediately available funds or, as the case may be, to perform such delivery obligation or to cause such delivery obligation to be performed, in each case promptly upon a demand has been made on the Guarantor by a Beneficiary pursuant to and in accordance with clause 5 (*Demand on Guarantor*).

(c) Notwithstanding that under the terms of the Guaranteed Securities either (i) the Issuer has the right (whether or not exercised) to vary the type of consideration due and payable or deliverable to a Holder or (ii) a Holder has the right (whether or not exercised) to vary the type of consideration due and payable or deliverable to it or (iii) the Issuer is obligated to deliver non-cash consideration to Holder when the same shall become due and deliverable, the Guarantor shall at all times have the right, at its sole and absolute discretion, to elect not to deliver or procure delivery of the relevant entitlement to the Holders when the same shall become due and deliverable, but, in lieu thereof, to pay an amount in cash equal to the value of the relevant entitlement. Any such payment of a cash amount in lieu of the delivery of the relevant entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of such Guaranteed Securities.

## 3. Subrogation

The Guarantor shall:

(a) have the right (but no obligation), upon receipt of a demand under this Guarantee by a Beneficiary pursuant to clause 5 (*Demand on Guarantor*), to assume the rights and obligations of the Issuer to such Beneficiary under the respective Guaranteed Security, together with any right of the Issuer to cure any event of default by or relating to the Issuer, notwithstanding any notice of default or termination previously sent by such Beneficiary to the Issuer, and thereby rescind any notice of default or termination given by such Beneficiary;

- (b) be subrogated to all rights of the Beneficiaries against the Issuer in respect of any amounts paid or delivery obligations performed by the Guarantor pursuant to the provisions of this Guarantee, provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until all amounts due and payable by the Issuer to the Beneficiaries in respect of the obligations subject to the aforesaid demand for payment, up to the time of such subrogation, have been paid in full.

#### 4. Effective Date and Application

- (a) Subject to paragraph (b) below, this Guarantee applies in respect of each Guaranteed Security issued by the Issuer under the Base Prospectus on or after the date hereof.
- (b) This Guarantee shall not apply in respect of any Guaranteed Securities issued on or after the date on which the Guarantor has granted a subsequent guarantee with respect to Guaranteed Securities issued by the Issuer under the Base Prospectus and which subsequent guarantee is expressed to replace this Guarantee in relation to such Guaranteed Securities (unless expressly so provided in the terms of any such subsequent guarantee).

#### 5. Demand on Guarantor

- (a) Any demand under this Guarantee by a Beneficiary shall be given in writing, addressed to the Guarantor and shall:
- (i) include evidence of the claimant's position as holder of Guaranteed Securities;
  - (ii) include a confirmation by the relevant claimant that any sum payable by the Issuer or any delivery obligation to be performed by the Issuer in respect of any Guaranteed Security has not been punctually paid or performed on the date such payment or performance was due in accordance with the Product Documentation of the relevant Guaranteed Security; and
  - (iii) specify the relevant Guaranteed Securities and the sum to be paid and/or delivery obligation to be performed.
- (b) A demand made pursuant to this clause 5 shall be deemed to have been made five Business Days after the day it has been (i) duly dispatched by registered mail or international courier and addressed as set forth below or (ii) sent by fax or e-mail addressed as set forth below and receipt confirmed by fax or e-mail by the recipient as stated below, or (iii) delivered personally to the recipient as stated below:

Banca Credinvest SA  
 Viale G. Cattori 14  
 6902 Lugano  
 Switzerland

E-Mail: [institutional@credinvest.ch](mailto:institutional@credinvest.ch)

If the respective demand was served on a day that was not a Business Day or after 5:00 p.m. on any day, the demand shall be deemed to be duly made five Business Days after the Business Day immediately following such day.

#### 6. Status

This Guarantee constitutes a direct, unsecured and unsubordinated obligation of the Guarantor which ranks *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor without any preference among themselves and without any preference one above the other, except for such preferences as are provided by any mandatory applicable provision of law.

#### 7. Termination

- (a) This Guarantee may be terminated at any time by written notice by the Guarantor to the Issuer, and shall be effective upon receipt of such notice by the Issuer or such later date as may be specified in such notice; provided, however, that this Guarantee shall continue in full force effect

with respect to any payment or other obligation of the Issuer under the Guaranteed Securities covered by this Guarantee already in issue at the date of such termination becoming effective or the terms and conditions relating thereto arising prior to the effectiveness of such notice of termination.

- (b) Up to and until its termination and subject to any general principles of law, the Guarantor's obligations under this Guarantee constitute legal, valid and binding obligations of the Guarantor and the Guarantee contemplated herein constitutes a continuing security. Furthermore, the obligations of the Guarantor are additional to, and not a substitute for, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise.

## **8. Severability**

If any provision of this Guarantee is or becomes illegal, invalid or unenforceable in any jurisdiction, such illegality, invalidity or unenforceability shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Guarantee;  
or
- (b) the legality, validity or enforceability in any other jurisdiction of that provision or of any other provision of this Guarantee;

and the relevant provision shall be replaced by a provision reflecting as closely as possible the original intention and the purpose of this Guarantee. For the avoidance of doubt, this clause is not intended to modify or abrogate the authority of a competent court to replace an invalid provision of this Guarantee in accordance with Swiss law.

## **9. Law and Jurisdiction**

- (a) This Guarantee and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with Swiss law.
- (b) Any legal actions and disputes which may, directly or indirectly, arise out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee may be brought exclusively in the competent courts of the city of Lugano, Switzerland.

\*\*\*



## VIII. INFORMATION REGARDING THE ISSUER

### I. General Corporate Information

The Issuer was incorporated in Guernsey as a protected cell company limited by shares under the Companies (Guernsey) Law, 2008 (as amended) for an unlimited duration on 1 August 2024 and was registered on 1 August 2024 under registration number 74064 in the Limited Companies Register of the Guernsey Registry. The registered office of the Issuer is at Suite 6, Provident House, Havilland Street, St. Peter Port, GY1 2QE Guernsey. As of the date of this Base Prospectus, the Issuer has created Cells. Additional Cells may be set out in the Final Terms of the relevant Products.

The Issuer is not authorized or subject to supervision by the Guernsey Financial Services Commission ("GFSC"), FINMA or any other regulatory authority. It has been established as a special purpose vehicle for the purposes of issuing Securities. The Issuer's Legal Entity Identifier (LEI) is 213800LFXGH3MDS15881.

### II. Purpose

The Issuer's Articles of Incorporation (the "**Articles**") are dated 1 August 2024.

The purpose of the Issuer is set out in paragraph 5 of its memorandum of incorporation and includes, (i) the issuance of structured products, including but not limited to certificates and actively managed certificates, (ii) the hedging and/or collateralization of such structured products, and (iii) to do all such other things as are incidental or conducive to the attainment of the objects set out in (i) and (ii).

### III. Corporate Bodies

#### 1. Corporate Director

The Issuer's business and affairs are managed by its sole corporate director that exercises all the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the company as are not, by the statutes or by the articles of incorporation, required to be exercised by the company in general meeting. The Issuer does not have a board of directors consisting of natural persons.

The sole corporate director of the Issuer is: Albecq Directors Limited. The domicile and business address of the sole corporate director is Suite 6 Provident House, Havilland Street, St Peter Port, Guernsey GY1 2QE. Albecq Directors Limited is registered with the GFSC and holds a joint fiduciary license.

For their services as directors of the Issuer, the directors may receive a remuneration in cash or otherwise in the amount so determined by the directors of the Issuer, unless otherwise determined by an ordinary resolution of the shareholders of the Issuer.

There are no potential conflicts of interest between the private interests or other duties of the sole corporate director and their duties to the Issuer.

#### 2. Administrator

##### Information about the Administrator

The administrator of the Issuer is Albecq Directors Limited (the "**Administrator**"), Suite 6 Provident House, Havilland Street, St Peter Port, GY1 2QE, Guernsey, an independent corporate service provider established under Guernsey law. The Administrator provides all administrative services required for the administration of the Issuer and the Cells. It is regulated and supervised by the GFSC and holds a joint fiduciary license.

##### Function

The Administrator will supply or arrange the supply of all management and administration services for the Issuer and the Cells. The Administrator will be responsible for administration, general administration and fee calculation among other responsibilities.

##### Administration Agreement

On 23 August 2024, the Issuer, acting on behalf of the core and its Cells, entered into the Administration Agreement with the Administrator. The Administration Agreement sets out the terms on which Albecq Directors Limited will act as Administrator in relation to the Securities issued under this Base Prospectus. Pursuant

to the Administration Agreement, the Administrator agrees to provide certain administration services as specified in the Administration Agreement, including, inter alia:

- (i) Accounting: accounting services for the Issuer and its Cells.
- (ii) Financial statements: preparing the annual and bi-annual financial statements of the Issuer and its Cells.
- (iii) Records: Keeping and safekeeping the records and accounts of the Issuer
- (iv) Valuation: Calculating the valuations of the assets and liabilities of the Cells on a monthly basis, or other frequency by prior agreement.
- (v) Administration services: performance of ongoing administrative duties for the Issuer.

The Administration Agreement is governed by Guernsey law.

### **3. Auditor**

No auditor has been appointed for the purpose of auditing the Issuer's financial statements. On 1 August 2024, pursuant to section 256 of the Companies Law, the sole shareholder of the Issuer passed a waiver resolution exempting the Issuer from the requirement under section 255 of the Companies Law to have its accounts audited for an indefinite number of financial year.

### **4. Founders**

Albecq Trustees Limited as trustee of the CapStone Purpose Trust, with business address at Suite 6, Provident House, Havilland Street, St Peter Port, Guernsey, GY1 2QE.

Albecq Trustees Limited is a non-cellular company, limited by shares, registered under the laws of Guernsey with registration number 55387 and having its registered address at Suite 6, Provident House, Havilland Street, St Peter Port, Guernsey, GY1 2QE. Albecq Trustees Limited serves as the original trustee of the CapStone Purpose Trust pursuant to a trust instrument dated 23rd July 2024 and is a secondary licensee under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020.

### **IV. Business Activities**

The Issuer is a special purpose vehicle within the meaning of the Article 96 para. 2 FinSO. The only business of the Issuer is the issuance of Securities in accordance with this Base Prospectus. The Issuer does not hold any subsidiary undertakings or other business activities.

### **V. Proceedings**

As of the date of this Base Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) of the Issuer which may have or have had in the recent past a significant effect on the Issuer's or a Cell's financial position or profitability.

### **VI. Capital Structure**

The Issuer's share capital is not limited and is divided into no par value core shares and no par value cell redeemable shares with one core share in issue issued for an issue price of USD 1. The share is fully paid up. The Issuer has been founded by contribution in cash in exchange for one core share. The Issuer's issued core share is owned by Albecq Trustees Limited as Trustee of the CapStone Purpose Trust. It is not permitted for Holders to invest in shares of the Issuer.

### **VII. Annual Financial Statements**

The Issuer has not prepared financial statements at the date of this Base Prospectus. The financial year of the Issuer ends on December 31 of each year. The Issuer was incorporated on 1 August 2024 and will prepare its first financial statements as of 31 December 2024. The annual financial statements of the Issuer will be prepared in accordance with UK GAAP standards. The annual financial statements will be available to Investors within six months from the end of each financial year.

The opening balance sheet for the Issuer as of the date of this Base Prospectus is as follows:

Nil

Save for the issue of Securities and their related arrangements, the Issuer and the Cells have no borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees.

#### **VIII. Material Contracts**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Issuer within the two years immediately preceding the date of publication of this document and which are, or may be, material to the Issuer:

- (1) The Administration Agreement as set out in section VIII.III.2.

#### **IX. No Material Adverse Change**

There has been no material adverse change in the financial position or prospects of the Issuer or the Cells since 1 August 2024.

## IX. INFORMATION REGARDING THE GUARANTOR

### I. General Corporate Information

The Guarantor is a stock corporation (*Aktiengesellschaft*) with unlimited duration organized under the laws of Switzerland in accordance with article 620 et seq. CO. It was established on 27 January 2004 and is registered with the Commercial Register of the Canton of Ticino under the number CHE-110.504.840. The Guarantor's registered office is at Via G. Cattori 14, 6902 Lugano, Switzerland. The Guarantor has a branch in Zurich, the registered office of which is at Stockerstrasse 41, 8002 Zürich, Switzerland. The Guarantor's Legal Entity Identifier (LEI) is 549300M6EXC9VGI8YR84.

The Guarantor provides banking and financial services for both institutional and private clients, is regulated as a bank under the provisions of the Swiss Banking Act and supervised by FINMA.

### II. Purpose

The Guarantor's Articles of Association (the "**Articles**") are dated 3 August 2023.

The purpose of the Guarantor is set out in article 2 of the Articles and includes the conduct of banking and financial business, securities trading, and asset management and administration. In particular, the company is engaged in providing operational and administrative services in the field of financial advisory and asset management, such as spot and forward trading in securities, foreign exchange, financial instruments, precious metals and derivative products, as well as other instruments on financial markets for its own account and for third parties. Offering of all services related to investment advisory and asset management; performance of fiduciary transactions, depository services and cash services (petty cash, payments and withdrawals in Swiss francs and foreign currencies); servicing of payment flows in their various forms, including foreign swift payments. Administration and management of investment funds and assets as custodian bank and representing investment funds in Switzerland. Participation, even partially, in the issuance of loans of public law entities, states, financial institutions and enterprises on behalf of third parties; placement of securities and financial instruments in Switzerland and abroad. Leasing safe deposit boxes. Granting of secured and unsecured loans and credits and issuing and receiving sureties. The company may establish branches, agencies and representative offices, participate in financial companies and enterprises of all kinds, and acquire holdings in Switzerland and abroad.

### III. Corporate Bodies

#### 1. Board of Directors

The board of directors of the Guarantor is responsible for the overview of the Guarantor's business and currently comprises the following five members:

- (i) Andrea De Vido: Chairman (Non-independent member)
- (ii) Gianluca Paolo Luigi Generali: Vice-Chairman (Independent member)
- (iii) Stephan Eggenberg (Independent member)
- (iv) Hieronymus T. Dormann (Independent member)
- (v) Alberto Banfi (Independent member)

The business address of the members of the board of directors is: Via G. Cattori 14, 6902 Lugano, Switzerland.

#### 2. Executive Management

The executive management of the Guarantor is responsible for the daily management of the Guarantor's business and currently comprises the following four members:

- (i) Alexei Oberholzer: Chief Executive Officer
- (ii) Massimo Bertini-Morini: Deputy Chief Executive Officer
- (iii) Christophe Silietti: Executive Vice President
- (iv) Daniel Lukas Jaeger: Executive Vice President

The business address of the members of the board of directors is: Via G. Cattori 14, 6902 Lugano, Switzerland.

### 3. Auditor

Ernst & Young AG, Corso Elvezia 9, 6900 Lugano, Switzerland. Ernst & Young AG is registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

### IV. Business Activities

The Guarantor's purpose (as bank) is to carry out all types of banking and financial activities, in particular the provision of investment advisory and portfolio management, provision of services in terms of financial consulting and asset management, acting both on its own account and on the account of its private and institutional customers. The Guarantor carries out financial transactions of various natures, including securities, derivatives, foreign exchange, precious metals, trust deposits, and investment funds, both for its own portfolio and on the account of its customers. It operates, directly or through branches, in the asset management sector. It administers, manages, and distributes Swiss and foreign investment funds in the various legal forms according to applicable laws and regulations, in collaboration with the competent supervisory authorities. The Guarantor's activities further include the issuance, structuring, distribution, settlement, lifecycle management and market-making of structured products. The Guarantor's business activities are mainly focused on Switzerland and are divided into two business lines: Clients Department (Private Clients Division and Institutional Clients Division) and Markets Department (Trading Division, Products Division and Asset Management Division).

### V. Proceedings

At the date of this Base Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware) which may have or have had in the recent past a significant effect on the Guarantor's financial position or profitability.

### VI. Capital Structure

The Guarantor's share capital amounts to CHF 30'000'000 and is divided into 36'408 shares (25'500 ordinary shares and 10'908 preference shares). Each share is fully paid up.

As of December 31, 2023, HBC Luxembourg Sàrl 18'179'000 was holding 60.60% of the equity capital and 67.53% voting rights of Credinvest. HBC Luxembourg Sàrl belongs to HBS International Luxembourg SA (54.50%) and Sintesi S.p.A. (45.50%). HBS International Luxembourg SA is owned by Sintesi S.p.A. (50.0002%) and Gianfranco Basta (49.9998%). Sintesi S.p.A. belongs to the Andrea De Vido (94.71%) and his family members (5.29%).

As of 31 December 2023, the Guarantor has no outstanding conditional or authorised capital. Its capital is divided into shares of the classes A, B, C and D, which shares have a par value of CHF 1'000, CHF 412.50, CHF 487.50 and CHF 450.00 respectively. Each share grants one voting right. Dividend payouts and other financial benefits are calculated based on the nominal value of each share.

### VII. Annual Financial Statements

Regarding the operating results for 2023, gross profit of the Guarantor amounted to CHF 5'332'084 (CHF 2'301'692 in 2022) and net profit of the Guarantor amounted to CHF 3'844'006 (CHF 575'599 in 2022). Total revenues of the Guarantor amounted to CHF 19'202'673 (CHF 14'449'303 in 2022). Total interest income of the Guarantor equalled CHF 7'141'861 (CHF 2'704'102 in 2022), commissions and service income of the Guarantor reached CHF 8'986'634 (CHF 8'792'787 in 2022), revenues from trading operations of the Guarantor was CHF 3'074'178 (CHF 2'952'414 in 2022). Total operating expenses of the Guarantor amounted to CHF 13'880'589 (CHF 12'147'611 in 2022), of which CHF 8'855'377 are allocated to personnel expenses (CHF 7'664'183 in 2022) and CHF 5'025'212 to general expenses (CHF 4'483'428 in 2022).

The Annual Report 2023 and the Annual Report 2022 are incorporated by reference into this Base Prospectus (see section *Incorporation by Reference* on page 95 of this Base Prospectus and the website of the Guarantor at <https://www.credinvest.ch/en/balance-sheets.php> for further information).

### VIII. Business Prospects

The Guarantor's prospects, financial performance and financial position for the business year 2024 are in line with the annual report of the Guarantor as of 31 December 2023.

The above description of the business prospects of the Guarantor contains forward-looking statements which, by their nature, are subject to risks and uncertainties.

**IX. No Material Adverse Change**

There has been no material adverse change in the financial position or prospects of the Guarantor since 31 December 2023, which is the end of the last financial period for which financial information has been published.

The annual financial statements 2023 are incorporated by reference into this Base Prospectus (see section *Incorporation by Reference* on page 95 of this Base Prospectus and the Guarantor's website <https://www.credinvest.ch/en/balance-sheets.php> for further information).

**X. RESPONSIBILITY STATEMENT**

CapStone Securities PCC Limited having its registered office at Suite 6, Provident House, Havilland Street, St. Peter Port, GY1 2QE Guernsey, accepts responsibility for the information contained in this Base Prospectus and declares that, to its knowledge, the information contained in this Base Prospectus is accurate and does not omit any material circumstances.

## **XI. SELLING RESTRICTIONS**

### **A. GENERAL**

The Distributor has represented and agreed (and each additional Distributor will be required to represent and agree) that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, and neither the Issuer, acting on behalf of itself or on behalf of its relevant Cell, nor any other Distributor shall have any responsibility therefor. Neither the Issuer nor the Distributor has represented that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or has assumed any responsibility for facilitating such sale. The relevant Distributor will be required to comply with such other additional restrictions as may be set out in the relevant Final Terms.

### **B. UNITED STATES OF AMERICA**

The Securities have not been registered and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of the Securities Act. Trading in the Securities has not been approved by the U.S. Commodity Futures Trading Commission under the Commodity Exchange Act or by the United States Securities and Exchange Commission or any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Base Prospectus. The Securities (or any rights thereunder) will be offered only outside of the United States and only to, or for the account or benefit of, persons that are not U.S. persons as defined in Regulation S under the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Distributor has represented and agreed (and each additional Distributor will be required to represent and agree) that, except as permitted, it has not offered, sold or delivered, and will not offer, sell or deliver, Securities of any Series (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the date of issue of the relevant Series of Securities and the completion of the distribution of such Series as certified to the principal Paying Agent or the Issuer by the relevant Distributor within the United States or to, or for the account or of benefit of, U.S. persons, and that it will have sent to each Distributor to which it sells Securities of such Series during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Securities within the United States or to, or for the account of benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any Series of Securities an offer or sale of Securities of such Series within the United States by a Distributor (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act.

Each issuance of Securities linked to currency exchange rates, commodities or precious metals as the underlying or a basket component, as the case may be, shall be subject to such additional U. S. selling restrictions as the Issuer and the relevant Distributor(s) will agree as a term of the issuance and purchase or, as the case maybe, subscription of such Securities. Any Distributor will be required to agree that it will offer, sell and deliver such Securities only in compliance with such additional U. S. selling restrictions.

### **C. EUROPEAN ECONOMIC AREA**

Unless the Final Terms in respect of any Securities include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Distributor has represented and agreed, and each further Distributor appointed under this Base Prospectus will be required



to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may make an offer of such Securities to the public in that Member State:

- (a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Distributor or Distributors nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Distributor to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

#### **D. UNITED KINGDOM**

Each Distributor has represented and agreed, and each further Distributor appointed under this Base Prospectus will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

#### **E. GUERNSEY**

This Base Prospectus may only be distributed or circulated directly or indirectly in or from within the Bailiwick of Guernsey (a) by persons licensed to do so by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended (the "**POI Law**") or (b) to persons licensed under the POI Law; the Banking Supervision (Bailiwick of Guernsey) Law, 2020, as amended; the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended; the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended; or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020, as amended.

## XII. TAXATION

### A. GENERAL TAXATION INFORMATION

The following is a general description of certain tax considerations relating to the taxation of Securities in Switzerland and Guernsey. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in Switzerland, Guernsey or elsewhere. **Prospective purchasers of Securities should consult their own tax advisors as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries.** This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

The relevant Final Terms prepared in respect of an issue of Securities may contain additional information relating to the taxation of the Securities in certain other jurisdictions.

**The Issuer does not assume any responsibility for the withholding of taxes at source.**

### B. SWITZERLAND

*The following is a generic summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of the Securities issued under this Base Prospectus. Because this summary does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, potential investors are recommended to consult their personal tax advisors as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Securities issued under this Base Prospectus including, in particular, the effect of tax laws of any other jurisdiction.*

The Swiss Federal Tax Administration has issued on 3 October 2017 a Circular Letter No. 15 regarding Certificates and Derivative Financial Instruments subject to Direct Federal Tax, Withholding Tax and Stamp Tax. The Securities issued under this Base Prospectus are expected to be taxed in accordance with this Circular Letter No. 15 and its appendices. Depending on the qualification of the relevant Security by the competent Swiss tax authorities the taxation of each Security may be different. The taxation depends on the structure and composition of each single Security for which reason the following remarks are again only of generic nature.

#### **Income Tax**

*Securities held as Private Assets by a Swiss Resident Holder:*

#### (a) Structured Products

If a Security classifies as a structured product, its income taxation depends on whether (1) it is transparent, i.e., its components (e.g., a bond and a derivative financial instrument embedded therein) are either traded separately or can be calculated and reported separately, or non-transparent, and whether (2) the Security classifies as a structured product with or without a predominant one-time interest payment, i.e., whether the one-time interest (issue discount or repayment premium) exceeds the periodic interest payments (coupon).

**Non-transparent derivative financial instruments:** If the embedded bond is not recorded separately from the embedded derivative financial instrument(s), the Security classifies as non-transparent structured product and any return over the initial investment classifies as a taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment. If so, Swiss resident private investors will be taxed on any interest payments and on any gains, including capital and foreign exchange gains, realised on the Securities (so-called differential taxation method).

**Transparent derivative financial instruments without a predominant one-time interest payment:** If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity (at issuance) predominantly derives from periodic interest payments and not from a one-time interest payment, then any periodic interest payment and the one-time interest payment are taxed when paid to the holder of the Security. A gain, including interest accrued but not yet due, realised on the sale of a Security is

a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "*Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*"). The same applies if the Security is redeemed except that interest accrued is taxed when paid.

Transparent derivative financial instruments with a predominant one-time interest payment: If the embedded bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity (at issuance) predominantly derives from a one-time interest-payment such as an original issue discount or a repayment premium, and not from periodic interest payments, then any periodic interest payments at sale or redemption of the Security as well as the difference between the value of the embedded bond at sale or redemption and its value at issuance or purchase, as applicable, converted, in each case, into Swiss francs at the rate of exchange prevailing at the time of sale, redemption, issuance or purchase constitutes taxable income (so-called modified differential taxation method). A value decrease on the embedded bond realised on the sale or redemption of the Security may be offset against any gains (including periodic interest payments) realised within the same taxation period from all other financial instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss (see below "*Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

(b) Bonds

Bonds without a predominant one-time interest payment: If a Security classifies as a pure bond without a predominant one-time interest payment (the yield-to-maturity at issuance predominantly derives from periodic interest payments and not from a one-time interest-payment), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, converted into Swiss francs at the rate of exchange prevailing at the time of payment. A gain, including interest accrued, realised on the sale of a Security is a tax-free private capital gain, whereas a loss is a non-tax-deductible private capital loss (see below "*Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

Bonds with a predominant one time interest payment: If a Security classifies as a pure bond with a predominant one-time interest payment (the yield-to-maturity predominantly derives from a one-time interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), Swiss resident private investors will be taxed on any periodic interest payments and on any gains, including capital and foreign exchange gains, realised on the Securities (differential taxation method).

(c) Pure Derivative Financial Instruments

Periodic and one-time dividend equalisation payments realised on a Security which classifies as a pure derivative financial instrument (such as pure call and put options, low exercise price options with a maturity not exceeding one year, pure futures, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) and which is held as part of their private assets constitute taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "*Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

(d) Low Exercise Price Options (LEPO)

According to the current practice of the Swiss Federal Tax Administration, low exercise price options are defined as options whose underlying equity security has been pre-financed by at least 50 per cent. at the time of issuance. For low exercise price options with a maturity exceeding one year, the interest component of the low exercise price option (i.e. issue discount) constitutes taxable investment income. Any other return will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "*Capital Gains Taxation – Securities held as Private Assets by a Swiss Resident Holder*").

(e) Fund-like Products

An individual holding a fund-like product as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derived from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain, provided such gains are reported separately from other income. Any

loss on the underlying investments is a non-tax-deductible private capital loss. Any gain realised within a taxation period on the sale of a fund-like instrument (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised is a non-tax-deductible capital loss (see below "*Capital Gains Taxation – Securities held as Private Assets by a Swiss resident Holder*").

*Securities held as assets of a Swiss business:*

Corporate entities and individuals who hold Securities as part of a trade or business in Switzerland (in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland) are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such Securities (irrespective of their classification) in their income statement and will be taxed on any net taxable earnings for the respective taxation period.

The same taxation treatment also applies to Swiss-resident individuals who are classified by the tax authorities as "professional securities dealers" for reasons of, inter alia, frequent dealing and leveraged investments in securities.

**Capital Gains Taxation**

*Securities held as Private Assets by a Swiss Resident Holder:*

A gain or a loss realised by an individual resident in Switzerland upon the sale or other disposal of a Security held as part of his or her private assets, is a tax-free private capital gain or a non-tax deductible capital loss, respectively, unless such individual is classified by the tax authorities as a "professional securities dealer" for reasons of, inter alia, frequent dealing and leveraged investments in securities. If an individual is classified as "professional securities dealer" he or she will be taxed in accordance with the principles set forth above under "Securities held as assets of a Swiss business". Concerning the separation into a tax-exempt capital gains or non-tax deductible capital loss component, as applicable, and a taxable income component of a security, see the breakdown principles set forth above with regard to the different instruments under "*Income Taxation – Securities held as Private Assets by a Swiss Resident Holder*".

*Securities held as assets of a Swiss business:*

Capital gains realised on Securities held as assets of a Swiss business are taxed in accordance with the taxation principles set forth above under "*Income Taxation – Securities held as Swiss Business Assets*".

**Withholding Tax**

The Swiss Withholding Tax is in principle levied on income (such as, but not limited to, interest, pensions, profit distributions etc.) from, amongst others, bonds and other similar negotiable debt instruments issued by a Swiss tax resident ("*Inländer*"), distributions from Swiss tax resident corporations, interest on deposits with Swiss banks as well as distributions of or in connection with Swiss tax resident collective investment schemes. For Swiss Withholding Tax purposes, an individual or corporation qualifies as a Swiss tax resident ("*Inländer*") being subject to withholding taxation if it (i) is resident in Switzerland, (ii) has its permanent abode in Switzerland, (iii) is a company incorporated under Swiss law having its statutory seat in Switzerland, (iv) is a company incorporated under foreign law but with a registered office in Switzerland, or (v) is a company incorporated under foreign law but is managed and conducts business activities in Switzerland. Hence, as long as the Securities are not issued by an issuer qualifying as a Swiss tax resident for the purposes of the Swiss Withholding Tax, income derived from the Securities is in principle not subject to Swiss Withholding Tax.

**Transfer and Issue Stamp Tax**

Swiss Stamp Tax is, amongst other, either levied as Swiss Transfer Stamp Tax or as Swiss Issuance Stamp Tax.

Dealings in Securities which classify as pure derivative financial instruments (such as pure call and put options, including low exercise price options (LEPOs) with a maturity not exceeding twelve months, pure futures with a maximal pre-financing of 25 per cent., static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) are not subject to the Swiss Transfer Stamp Tax.

Dealings in Securities which have been issued by an issuer outside of Switzerland and which classify as structured products, share-like instruments (including low exercise price options on shares with a maturity exceeding twelve months) or fund-like instruments are subject to Swiss Transfer Stamp Tax of 0.3 per cent. on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Dealings in bonds and structured products with a maturity not exceeding one year are exempt from Swiss Transfer Stamp Tax.

The delivery of an underlying taxable security at exercise or redemption to the holder of the Security is subject to the Swiss Transfer Stamp Tax of 0.3 per cent. in case a security issued by an issuer outside Switzerland is delivered, and of 0.15 per cent. in case a security issued by a domestic issuer is delivered, however, in each case, only if a Swiss domestic securities dealer (as defined in the Swiss Federal Stamp Tax Act) is a party or intermediary to the transaction and no exemption applies.

Swiss Issuance Stamp Tax is levied on the issuance of Swiss shares and similar participation rights by Swiss resident. Hence, the issuance of Securities is not subject to the Swiss Issuance Stamp Tax.

### **C. GUERNSEY**

The following summary is general in nature and relates only to Guernsey taxation applicable to the Issuer and the anticipated tax treatment in Guernsey that applies to persons holding Securities as an investment. The summary does not constitute legal or tax advice and is based on Guernsey taxation law and practice as it is understood to apply at the date of this document. Investors and prospective investors should be aware that the level and bases of taxation may change from those described and should consult their own professional advisors on the implications of acquiring, holding, disposing of, transferring or redeeming Securities under the laws of the countries in which they are liable to taxation. Investors and prospective investors should be aware that tax laws and practice and their interpretation may change.

The Issuer is not eligible for tax exempt status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended and is therefore subject to Guernsey income tax at the standard company rate of income tax, currently zero per cent. The Issuer will not pay any Guernsey income tax on its income and gains on the basis that no investments will be made in Guernsey property and the Issuer will not engage in any of the regulated activities which fall outside the scope of the zero-rate regime.

At present Guernsey does not levy taxes upon capital inheritances, capital gains, gifts, capital transfer, wealth, sales or turnover (unless the varying of investments and turning of such investments to account is a business or part of a business) nor are there any estate duties save for registration fees and an ad valorem duty for a Guernsey grant of representation where the deceased investor dies leaving assets in Guernsey which require presentation of such a grant.

Document duty is chargeable on the transfer of real property situated in Guernsey, including transactions for value which have the effect of conferring on a person a significant benefit arising from, or relating to, any real property situated in Guernsey and it is not a transaction in respect of which document duty is payable under the Document Duty (Guernsey) Law, 2017, as amended. Certain exceptions and exempt transactions apply. There are currently no other forms of stamp duty chargeable in Guernsey on the issue, transfer, switching or redemption of Securities.

### **FATCA**

The US Hiring Incentives to Restore Employment Act resulted in the introduction of legislation in the US known as the Foreign Account Tax Compliance Act ("**FATCA**") which has the effect that a 30 per cent withholding tax may be imposed on payments of US source income and certain payments of proceeds from the sale of property that could give rise to US source income unless there is compliance with requirements for the Issuer to report on an annual basis the identity of, and certain other information about, direct and indirect US investors in the Securities to the relevant Guernsey authority for onward transmission to the US Internal Revenue Service ("**IRS**"). An investor that fails to provide the required information to the Issuer may be subject to the 30 per cent withholding tax with respect to its share of any such payments directly or indirectly attributable to US investments of the Issuer, and the Issuer might be required to terminate such investor's investment in the Securities.

On 13 December 2013 an intergovernmental agreement was entered into between Guernsey and the US in respect of FATCA (the "**US IGA**"), which agreement was enacted into Guernsey law as of 30 June 2014 by the Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) Regulations, 2014, as amended. Guidance notes have been issued by the relevant Guernsey authority to provide practical assistance on the reporting obligations of affected businesses under the US IGA.

Although the Issuer will attempt to satisfy any obligations imposed on it to avoid the imposition of such withholding tax, no assurance can be given that the Issuer will be able to satisfy these obligations. If the Issuer becomes subject to a withholding tax as a result of FATCA, the return of all Securities may be materially affected.

### **Common Reporting Standard**

The Common Reporting Standard ("**CRS**") is a standard developed by the Organisation for Economic Co-operation and Development (the "**OECD**") for the automatic exchange of information pursuant to which many governments have signed multilateral agreements. A group of those governments, including Guernsey, committed to a common implementation timetable which saw the first exchanges of information in 2017 in respect of accounts open at the end of 2015 and new accounts from 2016, with further countries committing to implement the new global standard by 2018.

CRS has been implemented in Guernsey by the Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015 which came into force on 1 December 2015 (the UK having indicated that it wished to move away from the intergovernmental agreement that it has with Guernsey, as from 1 January 2016). The Issuer may need to comply with the foregoing exchange of information requirements and investors must satisfy any requests for information pursuant to such requirements.

### **Mandatory Disclosure Rules**

Guernsey has committed to introduce Mandatory Disclosure Rules for CRS Avoidance Arrangements and Opaque Offshore Structures (the "**MDR Rules**"). These MDR Rules would require promoters of avoidance arrangements and service providers to disclose information on the arrangement or structure to the Director of Revenue Service. Such information would include the identity of any user or beneficial owner and would then be exchanged with the tax authorities of the jurisdiction in which the users and/or beneficial owners are resident, where there is a relevant information exchange agreement.

### **Anti-Avoidance Provision**

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of a transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. The Director of Revenue Service may, at its discretion, make such adjustments to the tax liability as may in the Director's opinion be appropriate to counteract the effects of the avoidance, reduction or deferral of liability which would otherwise be affected by, or as a result of, that transaction or series of transactions.

### XIII. INCORPORATION BY REFERENCE

The following documents, which previously been published or are published simultaneously with this Base Prospectus, are incorporated in, and form part of, this Base Prospectus:

- (a) The Swiss Bankers Association's brochure "Risks Involved in Trading Financial Instruments" (published on the website of the Swiss Bankers Association at [https://www.swissbanking.ch/\\_Resources/Persistent/e/1/8/d/e18dc86d8033b556db0c7db772e9b025042db1d5/SBA\\_Risks\\_Involved\\_in\\_Trading\\_Financial\\_Instruments\\_2023\\_EN.pdf](https://www.swissbanking.ch/_Resources/Persistent/e/1/8/d/e18dc86d8033b556db0c7db772e9b025042db1d5/SBA_Risks_Involved_in_Trading_Financial_Instruments_2023_EN.pdf)).
- (b) The annual report of Banca Credinvest SA as of 31 December 2023 (published on the website of Banca Credinvest SA at [https://www.credinvest.ch/pdf/bilanci-relazione-sulla-gestione-2023\\_1\\_en.pdf](https://www.credinvest.ch/pdf/bilanci-relazione-sulla-gestione-2023_1_en.pdf), the "**Annual Report 2023**"); and
- (c) The annual report of Banca Credinvest SA as of 31 December 2022 (published on the website of Banca Credinvest SA at [https://www.credinvest.ch/pdf/bilanci-relazione-sulla-gestione-2022\\_1\\_en.pdf](https://www.credinvest.ch/pdf/bilanci-relazione-sulla-gestione-2022_1_en.pdf), the "**Annual Report 2022**").

## XIV. GENERAL INFORMATION

### A. FORM OF DOCUMENT

This document, including all information incorporated by reference herein or otherwise being part of this document, and as supplemented from time to time, constitutes a base prospectus (the "**Base Prospectus**") according to article 45 of the Swiss Federal Act on Financial Services (*Finanzdienstleistungsgesetz*; the "**FinSA**"). As such, this Base Prospectus contains the information which was known at the time when this Base Prospectus has been approved. Final terms ("**Final Terms**") will be prepared in respect of the Securities and will contain the information which is to be determined at the time of the individual issue of Securities under this Base Prospectus.

### B. PUBLICATION

This Base Prospectus has been published on the website of the Issuer at [www.css-pcc.com](http://www.css-pcc.com) (or a successor or replacement address thereto). In case of admission to trading of Securities on a regulated market of a stock exchange, this Base Prospectus will be published in accordance with the rules of such stock exchange.

Final Terms, together with any translations thereof (if any), may be published on the website of the Issuer at [www.css-pcc.com](http://www.css-pcc.com) (or a successor or replacement address thereto). In case of admission to trading of Securities on a regulated market of a stock exchange, Final Terms will also be published in accordance with the rules of such stock exchange.

### C. AUTHORISATION

The Issuer does not need to obtain (individual) authorisation from its management board to issue the Securities. There exists a general resolution for the issue of the Securities.

### D. APPROVAL OF THE BASE PROSPECTUS

This Base Prospectus has been approved by and registered with SIX Exchange Regulation Ltd. ("**Review Body**") on 3 September 2024.

### E. MATERIAL CHANGES

Since the end of the last financial year of the Issuer and of the Guarantor, there have been no material changes in the assets, financial or revenue position of the Issuer or of the Guarantor.

### F. DISTRIBUTORS

The Issuer, acting in respect of a Cell, may appoint one or several distributors (each a "**Distributor**") with the subscription or placement of one or more tranches of Securities to the extent permitted by the applicable laws and regulations.

The Issuer may from time to time terminate the appointment of any Distributor under this Base Prospectus. Distributors are not market makers and may only distribute financial instruments in accordance with all applicable regulations. The terms under which the Distributor will act as such are agreed in a distribution agreement.

### G. USE OF PROCEEDS

The net proceeds of the issue of each tranche of Securities will be applied by the Issuer to meet part of its general financing requirements and business purposes, if not indicated otherwise in the Final Terms.

### H. THIRD PARTY INFORMATION

Where this Base Prospectus contains information obtained from third parties, the Issuer confirms that such information was reproduced accurately, and as far as the Issuer is aware and is able to ascertain from



information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **I. POST-ISSUANCE INFORMATION**

The Issuer does not intent to provide any post-issuance information unless this is required by applicable law.

#### **J. AVAILABILITY OF DOCUMENTS**

So long as any of the Securities are outstanding copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer specified in the Address List set out in the back of this Base Prospectus:

- (a) this Base Prospectus (together with any supplement as well as any Final Terms hereto);
- (b) the memorandum and articles of incorporation of the Issuer; and
- (c) all documents incorporated by reference as set out in section *Incorporation by Reference*.

Copies of the documents referred to above and information which refers to sources such as Bloomberg shall also be maintained in printed format, for free distribution, at the offices of the Issuer. In addition, any annual reports of Banca Credinvest SA are published on the internet on the website <https://www.credinvest.ch/financial.php> or a successor or replacement address.

**REGISTERED OFFICE OF THE ISSUER**

CapStone Securities PCC Limited  
Suite 6, Provident House, Havilland Street,  
St. Peter Port, GY1 2QE  
Guernsey

**REGISTERED OFFICE OF THE GUARANTOR**

Banca Credinvest SA  
Via G. Cattori 14  
6900 Lugano  
Switzerland

**LEGAL ADVISERS**

*To the Issuer and Guarantor as to Swiss law:*

Bär & Karrer AG  
Brandschenkestrasse 90  
8002 Zurich  
Switzerland

*To the Issuer as to Guernsey law:*

Mourant Ozannes (Guernsey) LLP  
Royal Chambers  
St Julian's Avenue  
St Peter Port Guernsey  
Guernsey  
GY1 4HP

## XV. FORMS OF FINAL TERMS

### PROHIBITION OF OFFERING TO EEA AND UK RETAIL INVESTORS

These Securities are not intended to be offered to and should not be offered to any retail investor in the European Economic Area (EEA) or the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MIFID II); (ii) a customer within the meaning of Directive 2002/92/EC (IMD), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or (iii) not a qualified investor as defined in regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

Final Terms dated: [...]

## [Product]

issued by

### CapStone Securities PCC Limited

(a special purpose vehicle incorporated as a protected cell company limited by shares in Guernsey with registered number 74064) (the "**Issuer**")

acting on behalf of the Cell [...], a Cell of CapStone Securities PCC Limited

Terms, words and expressions defined in the Base Prospectus shall bear the same meaning in these Final Terms (the "**Final Terms**"). This Security will be issued on the terms of these Final Terms to be read together with the Base Prospectus dated [DATE]. These Final Terms shall form an integral part of the Base Prospectus.

The Final Terms do not constitute, and may not be used for the purpose of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized 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 these Final Terms in any jurisdiction where such action is required.

**These Securities are derivative financial instruments and do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes, as amended ("CISA"). Therefore, the Securities are not subject to the approval of, or supervision by, the Swiss Financial Markets Supervisory Authority (the "FINMA"). Accordingly, Investors do not have the benefit of the specific investor protection provided under the CISA. Investors bear the issuer risk in relation to the Issuer acting on behalf of its relevant Cell.**

The Products may not be offered or sold unless all applicable laws and regulations in the respective jurisdiction in which an offer, sale, holding and/or delivery of Products is intended or in which the Base Prospectus and these Final Terms are distributed, published and/or held are complied with and if all consents and approvals required in such jurisdiction for the offer, sale, holding and/or delivery of Products have been obtained.

## PART A OF THE FINAL TERMS – CONTRACTUAL TERMS

Terms used herein shall have the meanings given to them in the general terms and conditions (the "**General Terms and Conditions**") set forth in the Base Prospectus dated [DATE] [and the supplement(s) to it dated [DATE]] (the "**Base Prospectus**") which [together] constitute[s] a base prospectus. The General Terms and the Final Terms together constitute the "**Combined Terms and Conditions**". Full information on CapStone Securities PCC Limited ("**Issuer**"), acting on behalf of the relevant Cell (as defined in Point 2 below) and the offer of the AMCs is only available on the basis of the combination of these Final Terms and the Base Prospectus (and any supplement thereto). The Base Prospectus (together with any supplement thereto) and the Final Terms are available from the Issuer at [insert address].

### Operational Information

1. Product Type	[...]
2. SSPA Product Category	[...] (Code [...]) of the Swiss Derivative Map, as amended from time to time by the Swiss Structured Products Association (SSPA) (sspa.ch).
3. Valor / ISIN	[...] / [...]
4. Listing	[The Product will not be listed or admitted to trading on an exchange or trading venue.] [...]
5. Secondary Market Trading	The Issuer intends to make a market in these Products on a regular basis under normal market conditions. Price indications are available under Telekurs and Bloomberg Corp.
6. Form of Securities	Intermediated Securities ( <i>Bucheffekten</i> ) in accordance with article 973c of the Swiss Code of Obligations.

### Product Terms and Conditions

7. Issuer	CapStone Securities PCC Limited (a special purpose vehicle incorporated as a protected cell company limited by shares under the laws of Guernsey with registered number 74064)
8. Cell	[...]
9. Guarantor	Banca Credinvest SA, Viale G. Cattori 14, 6902 Lugano, Switzerland or any successor guarantor.
10. Administrator	Albecq Directors Limited, Suite 6 Provident House, Haviland Street, St Peter Port, GY1 2QE, Guernsey or any successor administrator.
11. Calculation Agent	[...]

12. Lead Manager	[...]
13. Custodian	[...]
14. [Investment Manager]	[...] [The Investment Manager is supervised by [...].] [The Investment Manager is not subject to any supervision.]
15. Paying Agent	[...]
16. Clearing Systems / Common Depository	SIX SIS AG, Baslerstrasse 100, P.O. Box, Olten, 4601, Switzerland
17. Investment Strategy	[...]
18. Underlying Universe	[...] [Basket: the Underlyings of the basket are the following: [...], weight: [...], base currency: [...]]; [...], weight: [...], base currency: [...]]; [...], weight: [...], base currency: [...]] [Actively managed basket: the Underlyings may constitute a basket representing a notional actively managed portfolio of assets (the " <b>Constituents</b> ") and cash (the " <b>Cash Position</b> "). The Underlyings are selected and managed by the Investment Manager in accordance with the Investment Strategy.] [Index: [...]; Index Sponsor: [...]; Publishing Party: [...]; current Index Guide available on [...]]
19. [Initial Weighting of the Underlyings]	[...] [The Investment Manager starts to implement the Investment Strategy at the first possible trading day after Payment Date (as defined above) according to these Final Terms, the Investment Universe, the Investment Guidelines and the Investment Restrictions. The initial composition of the Underlyings will depend on the market conditions at the time the Investment Manager starts to implement the Investment Strategy.]
20. [Selection / Adjustments / Rebalancing of the Underlyings]	The Selection and Adjustments of the composition of the Underlyings are actively made by the Investment Manager by rebalancing the weight or the replacement of the Underlyings at its sole discretion and in compliance with [...]. The Investment Manager (and neither the Issuer, nor the Calculation Agent, nor the Custodian, nor the Paying

Agent) is solely responsible for ensuring compliance with the Investment Strategy, the Investment Guidelines, and the Investment Restrictions. Neither the Issuer, nor the Paying Agent, nor the Swap Counterparty, nor the Swap Custodian, nor the Calculation Agent, nor any other involved party apart from the Investment Manager carries out any supervision in that regard.

The Issuer may, but is not obliged to, monitor adjustments of the Underlyings which are made at the discretion of the Investment Manager. However, in order to ensure compliance with the Investment Strategy, the Investment Guidelines, and the Investment Restrictions, the Issuer has the right, but is not obliged, to reject Underlyings that form part of a rebalancing.]

21. Denomination	One unit
22. Nominal	[...]
23. Minimum Investment	[...]
24. Number of Products / Issue Size	[...]
25. Minimum Trading Lot	One unit
26. Product Currency	[...]
27. [Capital Protection Level	[...]]
28. [Basket Value	[...] on Initial Fixing Date]
29. [Knock-in Level	[...] % on Initial Fixing Level]
30. [Cap Level	[...]/[...] % of [...] [...]]
31. [Barrier Level	[...]/[...] % of [...] [...]]
32. [Strike Level	[...]/[...] % of [...] [...]]
33. [Trigger Level	[...]/[...] % of [...] [...]]

34. [Ratio	[...]]
35. [Compensation Payment Amounts / Payment Decision Dates / Payment Dates	[...]]
36. Minimum Redemption Amount	[...] [The Redemption Amount can be as low as zero (but cannot turn negative)]
37. [Maximum Redemption Amount	[...]]
38. Redemption Amount	[...] [The Product units will redeem a cash amount in the Currency of the Product as calculated by the Calculation Agent.]  The calculation of the Redemption Amount may fluctuate as a result of tracking errors relating to the Underlyings, as described in the section <i>Risk Factors</i> set out in the Base Prospectus.  The Issuer, acting on behalf of itself or on behalf of its relevant Cell, the Calculation Agent, the Paying Agent and the Custodian are not liable to Holders of the Product or other third parties for any loss or liability arising from a negative performance of the Investment Strategy.
39. Underlying-Level (t)	The sum of all Underlyings taking into consideration their respective weightings (whereby each Underlying is valued based on the current prices of the Underlying) as calculated by the Calculation Agent on any trading day t, converted to the Settlement Currency of the Product at the prevailing exchange rate(s).  The Underlying-Level may not become negative. The calculation also takes into account the effect of all fees, expenses, transaction costs, hedging costs, and taxes (if any) associated with the Investment Strategy.
40. Prices of the Underlyings	The prices of the Underlyings used as a basis for the calculation of the Underlying-Level are determined at the sole discretion of the Calculation Agent, based either on the values provided by the Custodian, or on the market prices on the exchange of the primary listing of the Underlying (if listed). Should the specific Underlyings not be listed, then pricing sources like Bloomberg, Reuters, Telekurs etc. might apply.  Should one or more of the Underlyings be or become illiquid over the lifetime of the Product, this might implicate a deferred Redemption and/or a modified Redemption

Amount, as determined by the Calculation Agent in its sole discretion.

41. Price of the Product (t)	The price of one unit of the Product on a specific trading day t is equal to the Underlying-Level divided by the number of outstanding units of the Product on such trading day t, as calculated by the Calculation Agent.
42. [Maximum Return	[...] % [for the entire investment period/[...] % p.a.]
43. [Bonus Payment	[...]
44. [Participation	[...] %, [...]
45. [Exercise Price	[...]
46. [Initial Basket Level	[...]
47. [Final Basket Level	[...]
48. [Multiplier	[...]
49. [Call Level	[...]/[...] % of [...] [...]
50. [Knock-in Level	[...]/[...] % of the Underlyings on the Initial Fixing Date]
51. [Knock-out Level	[...]/[...] % of the Underlyings on the Initial Fixing Date]
52. [Rebate-Payment	[...]
53. [Coupon][Interest Rate]	[...]
54. [Coupon Amount][Interest Amount]	[...]
55. [Conditional Coupon	[...]
56. [[Coupon Period][Interest Period]	[...]



57. [[Coupon Amount/Coupon Payment Dates]][Interest Amount/Interest Payment Dates]	[...]
58. [Coupon Trigger Level]	[...]
59. [Observation Date]	[...]
60. [Observation Period]	[...]
61. [Early Redemption/ Autocall Observation Dates/Autocall Trigger Level/Early Redemption Dates]	[...]
62. [Early Redemption Event]	[...] [The Issuer and the Investment Manager have the right to redeem the Product early at any time without any specific reason, by notifying the Holders of the Product on the earliest possible date]]
63. [Consequences of an Early Redemption]	Following the exercise of a right to redeem the Product early, the Product units will be redeemed at the Redemption Amount as calculated by the Calculation Agent (see above "Redemption Amount").  Investors should be aware that the Redemption Amount may be, due to unfavourable market conditions, considerably lower than the Issue Price (as defined above) or the last valuation of the Product before the exercise of the right to redeem the Product early.  The Issuer has the right to reduce the Redemption Amount considerably (in certain cases, as low as zero) for important reasons according to the Base Prospectus.]
64. [Autocall Trigger Level]	[...]
65. [Minimum Coupon]	[...]%]
66. [Day Count Fraction]	[...] [, modified following]]
67. [Return Cap]	[...]
68. [Return Floor]	[...]
69. [Participation Rate]	[...]

70. [Initial Fixing Date	[...]]
71. [Issue Date	[...]]
72. [Intended First Trading Day	[...]]
73. [Last Trading Day	[...]]
74. [Last Trading Time	[...]]
75. [Final Fixing Date	[...]]
76. [Fixing Business Day	[...]]
77. [Redemption	[...]]
78. [Redemption Date	[...]]
79. [Tenor	[...]]
80. [Delivery of Underlying(s)	[...]]
81. [Worst Performing Underlying	[...]]
82. [Initial Fixing Level	[...]]
83. [Fixing Level	[...]]
84. [Final Fixing Level	[...]]
85. [Barrier Observation Period	[...]]
86. [Conditional Coupon Observation Date / Coupon Trigger Level / Condi- tional Coupon Payment Dates / Condi- tional Coupon Amounts / Memory feature	[...]]

87. [Settlement Type]	[...]
88. [Settlement Currency]	[...]
89. [Stop Loss Level]	<p>[The Product will be redeemed prematurely if the Calculation Agent determines during the lifetime of the Product that the bid price of the Product is below the Stop Loss Level. In this case, the Calculation Agent shall dissolve the product in the interests of the investor. The actual selling price achieved for the Underlying is used to calculate the Redemption Amount. The Stop Loss Level is not a guaranteed redemption. Especially in volatile markets, the Early Redemption price may deviate from the Stop Loss Level. Early Redemption takes place 5 working days after completion of the sale of the Underlying. The Investor is not obliged to make additional contributions.] [...]</p>
90. [Distribution Fee]	<p>[The Issuer may pay recurring fees to distribution partners.</p> <p>If and to the extent such recurring fees, on the basis of statutory law, would have to be forwarded by the Issuer or Investment Manager to the Investor, each Investor hereby takes note and unconditionally waives any right in respect of such recurring fees and accepts that the Issuer or Investment Manager may retain and keep such discount, payment or recurring fees.</p> <p>Investors shall note that such recurring fees may cause potential conflicts of interests at the Issuer or Investment Manager.</p> <p>Further information is available from the Issuer or the Investment Manager]]</p>
91. [Management Fee]	<p>[Not Applicable] [...]% p.a. aggregated value of the Product. The Management Fee will be calculated daily.]</p>
92. [Structuring and product life cycle management fee]	[...]
93. [Performance Fee]	[...]
94. [Further Fees]	[...]
95. [Exchange Rates]	<p>Applicable Exchange Rates (if any) for conversion of any amount into the relevant Settlement Currency for the purposes of determining the Underlying-Level or the Redemption Amount, may be sourced from the Custodian (if applicable), or from public sources like Bloomberg (BFIX), Reuters, Telekurs, etc. Relevant is the rate at the time or near</p>

the time of the determination of the Underlying-Level or the Redemption Amount.]

	[Weekly secondary market trading on a best effort basis, on the last business day of the week, with a bid-offer spread of [...] % under normal market conditions. Orders must be placed with the Paying Agent before 16:30 CET for same day trading. Orders after 16:30 CET will be executed on the next trading day.]
96. [Secondary Market / Market Maker	[One or more of the Underlyings might be or become illiquid over the lifetime of the Product. Even though the Issuer provides a secondary market, the liquidity/tradability in the secondary market may be restricted.]  [On Secondary Market transactions, additional fees (e.g. ticket fees, stamp duty) may apply and are charged to the Underlying-Level.]
97. Notices/Adjustments	The Terms and Conditions of this Product may be subject to Adjustments over the lifetime of this Product (e.g. due to Corporate Actions). Notices with respect to Adjustments and all other notices to Investors shall be made as determined in section VI.A.XXVI ( <i>Notices</i> ) of the Base Prospectus.
98. Responsibility	The Issuer accepts responsibility for the information in these Final Terms.
99. Applicable Law / Place of jurisdiction	Swiss law / Zurich, Switzerland

### Information regarding the Offer

100. Offering	Public offer in Switzerland
101. Subscription Period	From the Subscription Start Date (including) to the Subscription End Date (including). [The Issuer reserves the right to end the subscription period early [or to extend it]. The Issuer is not obliged to accept subscription applications. Partial allocations are possible (in particular in the event of oversubscription). The Issuer is not obliged to issue subscribed Products.] [The Issuer reserves the right to cancel the offer.] [...]
102. Subscription Start Date	[...]
103. Subscription End Date	[...]
104. [Issue Size (up to)	CHF [...] (with the option to increase)]

105. [Issue Price	[...]
106. Payment Date	[...]
107. Settlement Date	[...]
108. [IEV / TER / Distribution Fee	Issuer Estimated Value (IEV): [...] Total Expense Ratio (TER): [...] Distribution Fees of up to [...] p.a. of the Nominal are included in the TER figure]
109. Business Day	As determined in the General Terms and Conditions of the Base Prospectus.
110. Business Day Convention	As determined in the General Terms and Conditions of the Base Prospectus.
111. [Quoting	[...]
112. [Investor's Withdrawal Right	If an obligation to prepare a supplement to the Base Prospectus pursuant to article 56 para 1 FinSA is triggered during the subscription period, subscriptions may be withdrawn within two days of publication of the supplement.]
113. Selling Restrictions	USA/US, EEA, [Switzerland], [Guernsey], [...]
<b>Tax information</b>	
114. Swiss Withholding Tax	Payments on the Securities are currently not subject to Swiss federal withholding tax provided that the respective Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.
115. Additional Information on Tax Treatment	As set out in the Base Prospectus.
<b>Disclosure of significant Risks for Investors</b>	
116. Issuer Risk	<p>Investors in this Product bear the issuer risk. Potential Investors should therefore be aware that they are exposed to the credit risk of the Issuer and its relevant Cell. Hence, Investors bear the risk that the financial situation of the Issuer or its relevant Cell could deteriorate, and the Issuer of the Product may become insolvent.</p> <p>[In this case all forthcoming and thus not yet paid Coupons will also be affected by such insolvency and not be paid.]</p>

The Product's value is therefore not only dependent on the performance of the Underlying(s) but also on the creditworthiness of the Issuer, which may change over the term of the Product. The Issuer's rating stated herein may be subject to change. [...]

117. Guarantor Risk	<p>Investors in this Product bear the Guarantor risk. Potential Investors should therefore be aware that they are exposed to the credit risk of the Guarantor. Hence, Investors bear the risk that the financial situation of the Guarantor could deteriorate and the guarantor of the Product may become insolvent.</p> <p>[In this case all forthcoming and thus not yet paid Coupons will also be affected by such insolvency and not be paid.]</p> <p>The Product's value is therefore not only dependent on the performance of the Underlying(s) but also on the creditworthiness of the Guarantor, which may change over the term of the Product.] [...]</p>
118. Loss Potential	<p>The Redemption Amount can be as low as zero (but cannot turn negative). [...]</p>
119. [Capital Protection	<p>Usually, lower yields are obtained with structured products with capital protection than with a direct investment in the underlying assets. Also, a Product with capital protection may drop below the difference between the purchase price and capital protection to the par value, which is the maximum loss at payout of a Product with capital protection, if the product is held until maturity.</p> <p>[...]</p>
120. Risks compared to a direct Investment in the Underlying(s)	<p>Changes in the value of any underlying or sub-underlying asset may not necessarily lead to a comparable change in the market value of the Securities. As a result, the performance of the Securities may differ significantly from a direct investment in the Underlying or Sub-underlying asset(s).</p> <p>[...]</p>
121. [Early Redemption	<p>If the Product is redeemed early, the Investor will not be able to obtain the expected return or will have to re-invest the proceeds and yields on other Products in the market, usually at less favourable terms.</p> <p>[...]</p>
122. [Early Termination and Cancellation	<p>If the Product is terminated early or cancelled, the Investor will not be able to obtain the expected return or will have to re-invest the proceeds and yields on other Products in the market, usually at less favourable terms.</p> <p>[...]</p>

123. Secondary Market

[Even though the Issuer intends to make a market in these Products on a regular basis under normal market conditions, the Issuer is under no obligation with respect to Investors to provide any market in this Product at all. Potential Investors should note that there is no guarantee of a specific liquidity or a specific spread (difference between bid and ask prices) or any prices at all. Hence, Potential Investors should not rely on the possibility to buy or sell the Product in a specific point in time or to a specific price. By selling the Product in the secondary market Investors may receive less than the invested capital.]

[In case of a secondary market transaction, there is a possibility that costs, including taxes, related to or in connection with this Product may arise for Investors that are not paid by the Issuer or imposed by the Issuer.]

[...]

124. Market Disruption

Under certain circumstances set forth in the General Conditions, if the Issuer and/or Calculation Agent determines that a specified Market Disruption Event has occurred, any consequential adjustments in line with Combined Terms and Conditions may have an adverse effect on the value of this Product.

125. [Volatility

[Potential Investors should take into account that market prices for this Product may be volatile, depending upon the development of the price or value of the Underlying(s), interest rates, remaining term of the Product and other factors.]]

126. [Risks associated with fees

[Parties (including the Issuer or the Guarantor) acting in one or more function(s) (e.g., as issuer, guarantor, lead manager, calculation agent, paying agent, strategy-manager, distributor, broker, market maker, advisor, investment manager, etc.) with respect to Underlying(s) may receive a fee for such function(s), in addition to the fee(s) received for their function(s) at the Securities level. This may lead to potential or actual conflicts of interest.]]

127. [Further Risks

[...]]

**ANNEX 1 TO THE FINAL TERMS: UNDERLYINGS (INITIAL COMPOSITION)**

<b>Name</b>	<b>ISIN</b>	<b>Asset class</b>	<b>Currency</b>	<b>Initial Weight</b>
[...]	[...]	[...]	[...]	[...]
[...]	[...]	[...]	[...]	[...]
[...]	[...]	[...]	[...]	[...]
[...]	[...]	[...]	[...]	[...]
[...]	[...]	[...]	[...]	[...]



**ANNEX 2 TO THE FINAL TERMS: INVESTMENT GUIDELINES AND INVESTMENT RESTRICTIONS**

It is the sole responsibility of the Investment Manager to ensure that the selection and adjustment of the Underlyings as well as the investments correspond to the Investment Strategy, the Investment Universe, the Investment Guidelines, and the Investment Restrictions. Neither the Issuer, nor the Paying Agent, nor the Custodian, nor the Calculation Agent, nor any other involved party apart from the Investment Manager carries out any supervision in that regard.

**Investment Guidelines**

The Underlyings are selected, adjusted and rebalanced by the Investment Manager in accordance with the following Investment Guidelines:

1. only assets that comply with the Investment Strategy of the Product (where applicable) may be selected as Underlyings;
2. only Constituents that are included in the Investment Universe may be selected as Underlyings; and
3. on behalf of the relevant Cell of the Issuer, the Investment Manager may in agreement with the Issuer borrow funds up to 100% of the value of the Product from the Custodian, at a cost of [...] % per annum, in order to invest in Underlyings.

**Investment Restrictions**

No restrictions. [...]

**ANNEX 3 TO THE FINAL TERMS: INVESTMENT UNIVERSE****Investment Universe**

The Investment Universe consists of the following asset / asset classes and represents the basis for the selection, adjustment and rebalancing of the Underlyings by the Investment Manager. The Investment Universe may be amended by the Investment Manager at any time and in its sole discretion.

<b>Asset class</b>	<b>Range allocation (% of total portfolio)</b>	<b>Permitted instruments</b>
Equities	Min [...] % - Max [...] %	<ul style="list-style-type: none"> <li>• Stocks</li> <li>• Indices</li> <li>• Derivatives</li> <li>• Structured Products</li> <li>• Funds (including Hedge Funds)</li> <li>• ETFs</li> </ul>
Fixed Income	Min [...] % - Max [...] %	<ul style="list-style-type: none"> <li>• Investment Grade Bonds/Notes</li> <li>• High Yield Bonds/Notes</li> <li>• Securitisations (ABS, CLOs, CDOs, etc.)</li> <li>• Indices</li> <li>• Derivatives</li> <li>• Structured Products</li> <li>• Funds (including Hedge Funds)</li> <li>• ETFs</li> <li>• Fiduciary deposits</li> </ul>
Commodities	Min [...] % - Max [...] %	<ul style="list-style-type: none"> <li>• Any commodity (metals, energy resources, agricultural, etc.)</li> <li>• Indices</li> <li>• Derivatives</li> <li>• Structured Products</li> <li>• Funds (including Hedge Funds)</li> <li>• ETFs</li> </ul>
FX	Min [...] % - Max [...] %	<ul style="list-style-type: none"> <li>• Any currency (other than the Settlement Currency)</li> <li>• Indices</li> <li>• Derivatives</li> <li>• Structured Products</li> <li>• Funds (including Hedge Funds)</li> <li>• ETFs</li> </ul>
Cash	Min [...] % - Max [...] %	Cash in the Settlement Currency