



Credit Suisse AG

acting through its London Branch or its Nassau Branch (as specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement))

Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus

Pursuant to the Structured Products Programme for the issuance of Notes, Certificates and Warrants

This Base Prospectus

This document (the "**Base Prospectus**") is a base prospectus in respect of all Securities other than Exempt Securities prepared for the purposes of Article 5.4 of Directive 2003/71/EC as amended by Directive 2010/73/EU (the "**Prospectus Directive**") and Article 8.4 of the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended on 3 July 2012 (the "**Luxembourg Prospectus Law**"). It is valid for one year and may be supplemented from time to time under the terms of the Prospectus Directive. It should be read together with (i) any supplements to it from time to time, (ii) any other documents incorporated by reference into it (see "Documents Incorporated by Reference" below) and (iii) in relation to any particular Securities (other than Exempt Securities), the "Final Terms" document relating to those Securities.

The requirement to publish a prospectus under the Prospectus Directive only applies to Securities which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to "**Exempt Securities**" are to Securities for which no prospectus is required to be published under the Prospectus Directive. The CSSF (as defined below) has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities.

CREST Depository Interests

The Issuer may permit indirect interests in the Securities (or Exempt Securities) to be held through CREST Depository Interests ("**CDIs**"), which are separate legal instruments from the Securities and issued by CREST Depository Limited. The CDIs will not be offered to the public in the European Economic Area or admitted to trading on a regulated market in the European Economic Area. The CSSF (as defined below) has neither approved nor reviewed information in connection with the CDIs.

The Programme

This Base Prospectus is one of a number of base prospectuses and other offering documents under the Structured Products Programme for the issuance of Notes, Certificates and Warrants (the "**Programme**") of Credit Suisse AG and Credit Suisse International.

The Issuer

Securities under this Base Prospectus will be issued by Credit Suisse AG ("**CS**"), acting through its London Branch or its Nassau Branch, as applicable (the "**Issuer**"). This Base Prospectus contains information relating to the business affairs and financial condition of the Issuer.

The Securities

Under this Base Prospectus, the Issuer may issue Preference Share-Linked Securities ("**Securities**" or "**Preference Share-Linked Securities**"). The terms and conditions of any particular issuance of Securities will comprise:

- the "General Terms and Conditions of Notes" at pages 71 – 85 of this Base Prospectus;

- the economic or "payout" terms of the Securities set forth in the "Product Conditions" at pages 86 – 89 of this Base Prospectus which are specified to be applicable in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement); and
- the issue specific details relating to such Securities as set forth in a separate "Final Terms" document (or, in the case of Exempt Securities, a separate "Pricing Supplement" document).

The Issuer may agree with any Dealer that Securities may be issued in a form not contemplated by the Terms and Conditions (as defined below), in which event, other than where such Securities are Exempt Securities, a supplement to this Base Prospectus or a new base prospectus will be made available which will describe the effect of the agreement reached in relation to such Securities.

Final Terms

A separate "Final Terms" document will be prepared in respect of each issuance of Securities (other than Exempt Securities). In relation to any particular Securities (other than Exempt Securities), you should read this Base Prospectus (including the documents which are incorporated by reference) together with the relevant Final Terms.

Pricing Supplement

A separate "Pricing Supplement" document will be prepared for each issuance of Exempt Securities. In relation to any particular Exempt Securities, you should read the Base Prospectus (including the documents which are incorporated by reference) together with the relevant Pricing Supplement.

Potential for Discretionary Determinations by the Issuer and the Calculation Agent under the Securities and by the Preference Share Issuer and the Preference Share Calculation Agent under the Preference Shares

Under the terms and conditions of the Securities, following the occurrence of certain events outside of its control, the Issuer or the Calculation Agent may determine in its discretion to take one or more actions available to it in order to deal with the impact of such event on the Securities or the Issuer or both. It is possible that any such discretionary determinations by the Issuer or the Calculation Agent could have a material adverse impact on the value of the Securities.

The terms and conditions of the Preference Shares (to which the Securities are linked) may also allow the Preference Share Issuer or the Preference Share Calculation Agent to make certain discretionary determinations following the occurrence of certain events outside of its control. It is possible that any such discretionary determinations by the Preference Share Issuer or the Preference Share Calculation Agent could have a material adverse impact on the value of the Preference Shares, and consequently, the value of the Securities.

An overview of the potential for discretionary determinations by the Issuer and the Calculation Agent under the Securities and by the Preference Share Issuer and the Preference Share Calculation Agent under the Preference Shares is set forth in the section headed "Overview of the Potential for Discretionary Determinations " on pages 64 to 69 of this Base Prospectus.

Risk Factors

Investing in the Securities involves certain risks, including that you may lose some or up to all of your investment in certain circumstances. Before purchasing Securities, you should consider, in particular, "Risk Factors" at pages 24 – 45 of this Base Prospectus.

5 December 2014

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IMPORTANT NOTICES

The Issuer may issue Securities on the terms set out in this Base Prospectus and in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement).

The relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) will specify whether the Issuer is issuing the Securities through its London Branch or its Nassau Branch. Investors should be aware that certain tax and regulatory consequences may follow from issuing Securities through a particular branch, including whether payments on the Securities are subject to withholding tax: see the section headed "Taxation" below. A branch located in a particular jurisdiction will also be subject to certain regulatory requirements and rules, breach of which may result in regulatory sanction and, possibly, investor claims. Investors should be aware that a branch is not a subsidiary and does not comprise a separate legal entity and that, in respect of any Securities issued by the Issuer, obligations under such Securities are those of the Issuer only, and investors' claims under such Securities are against the Issuer only, notwithstanding the branch through which it will have issued such Securities.

The final terms relevant to an issue of Securities will be set out in a final terms document (the "**Final Terms**") (or, in the case of Exempt Securities, a pricing supplement document (the "**Pricing Supplement**")) which will be provided to investors and, where so required under the Prospectus Directive (and other than in the case of a Pricing Supplement), filed with the CSSF and any other relevant Member State and made available, free of charge, to the public at the registered office of the Issuer and at the offices of the relevant Distributors and Paying Agents. In the case of Exempt Securities, the applicable Pricing Supplement will only be obtainable by a Securityholder holding one or more Exempt Securities and such Securityholder must produce evidence satisfactory to the Issuer and the relevant Distributors and Paying Agents as to its holding of such Exempt Securities and identity.

No Investment Advice

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. The Issuer is acting solely in the capacity of an arm's length contractual counterparty and not as an investor's financial adviser or fiduciary in any transaction. The purchase of Securities involves substantial risks and an investment in Securities is only suitable for investors who (either alone or in conjunction with an appropriate financial adviser) fully evaluate the risks and merits of such an investment in the Securities and who have sufficient resources to be able to bear any losses that may result therefrom. Therefore, before making an investment decision, prospective investors of Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus and any documents incorporated by reference herein. This Base Prospectus cannot disclose whether the Securities are a suitable investment in relation to any investor's particular circumstances; therefore investors may wish to consult their own financial, tax, legal or other advisers as they consider appropriate and carefully review and consider such an investment decision in the light of the information set forth in this Base Prospectus.

CREST Depository Interests

The Issuer gives notice that investors may hold indirect interests in certain Securities through CREST through the issuance of dematerialised depository interests ("**CDIs**"). CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited or any successor thereto pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated).

No other information

In connection with the issue and sale of the Securities, no person is authorised to give any information or to make any representation not contained in this Base Prospectus, and the Issuer does not accept responsibility for any information or representation so given that is not contained within the Base Prospectus.

The distribution of this Base Prospectus is restricted

The distribution of this Base Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, such restrictions. For a description of certain restrictions on offers or sales of the Securities and the distribution of this document and other offering materials relating to the Securities, please refer to the section headed "Selling Restrictions".

Categories of potential investors to which the Securities are offered

The Securities will be offered to both retail and non-retail investors.

United States restrictions

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. A further description of the restrictions on offers and sales of the Securities in the United States or to U.S. persons is set out under "Selling Restrictions" in the Base Prospectus.

Ratings

The credit ratings of Credit Suisse AG referred to in this Base Prospectus have been issued, for the purposes of Regulation (EC) No 1060/2009 as amended by Regulation (EU) No. 513/2011 (the "**CRA Regulation**"), by Standard & Poor's Credit Market Services France SAS ("**Standard & Poor's**"), Fitch Ratings Ltd. ("**Fitch**") and Moody's Investors Service, Inc. ("**Moody's Inc.**"). Standard & Poor's and Fitch are both established in the EU and have been registered in accordance with the CRA Regulation. Moody's Inc. is not established in the EU and has not applied for registration under the CRA Regulation, as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ("**ESMA**"). In general, and subject to certain exceptions (including the exception outlined below), European regulated investors are restricted from using a credit rating for regulatory purposes if such a credit rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Subject to the fulfilment of the conditions set out in Article 4(3) of the CRA Regulation, a credit rating agency established in the European Union and registered in accordance with the CRA Regulation (an "**EU CRA**") may endorse (for regulatory purposes in the European Union) credit ratings issued outside the European Union where (a) the credit rating activities resulting in the issuing of the credit rating are undertaken in whole or in part by a credit rating agency or credit rating agencies belonging to the same group (a "**non-EU CRA**"), and (b) the EU CRA has verified and is able to demonstrate on an ongoing basis to ESMA that the conduct of the credit rating activities by the non-EU CRA resulting in the issuing of the credit rating to be endorsed fulfils requirements which are "at least as stringent as" the requirements of the CRA Regulation. On 15 March 2012, ESMA announced that it considers the regulatory framework for credit rating agencies in the United States to be "as stringent as" the requirements of the CRA Regulation. Moody's Investors Service Limited (which has been registered under the CRA Regulation and appears on the list of registered credit rating agencies on ESMA's web site) currently endorses credit ratings issued by Moody's Inc. for regulatory purposes in the European Union. There can be no assurance that Moody's Investors Service Limited will continue to endorse credit ratings issued by Moody's Inc.

Credit Suisse AG has been issued a senior unsecured long-term debt rating of "A (Negative Outlook)" by Standard & Poor's, a senior long-term debt rating of "A (Stable Outlook)" by Fitch and a senior long-term debt rating of "A1 (Negative Outlook)" by Moody's Inc.

Explanation of ratings as of the date of this document:

"A (*Negative Outlook*)" by Standard's & Poor's: An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects. The rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years), and a negative outlook means that a rating may be lowered.

"A (*Stable Outlook*)" by Fitch: An "A" rating indicates high credit quality and denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The rating outlook indicates the direction a rating is likely to move over a one- to two-year period.

"A1 (*Negative Outlook*)" by Moody's Inc.: Obligations rated "A" are judged to be upper-medium grade and are subject to low credit risk; the modifier "1" indicates that the obligation ranks in the higher end of its generic rating category. A negative outlook indicates a higher likelihood of a rating change over the medium term, and the next rating action subsequent to the assignment of a negative rating has historically been a downgrade or review for possible downgrade about one half of the time.

ISDA Definitions

Where any interest and/or other amount payable under the Securities is calculated by reference to an ISDA Rate, investors should consult the Issuer if they require an explanation of such ISDA Rate.

[Certain provisions of this summary appear in square brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular series (a "**Series**") of Securities and the completed summary in relation to such Series shall be appended to the relevant Final Terms.]

SUMMARY

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

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

Even though an Element may be required to be inserted in the summary because of the type of Securities and Issuer, it is possible that no relevant information can be given regarding such Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

Section A - Introduction and Warnings		
A.1	Introduction and Warnings:	<p>This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the relevant Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability only attaches to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</p>
A.2	Consent(s):	<p>[Where the Securities are to be the subject of an offer to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "Non-exempt Offer"), the Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("Authorised Offeror(s)"), during the offer period and subject to the conditions, as provided as follows:</p> <p>(a) Name and address of [Give details] [(the Authorised Offeror(s): "Distributor(s)")]</p> <p>(b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s): An offer of the Securities will be made in [jurisdiction] during the period from, and including, [date] to, and including, [time] on [date] [Give details]</p> <p>(c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s): The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]</p> <p>If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer</p>

		<p>should be provided to you by that Authorised Offeror at the time the offer is made. Neither the Issuer nor any dealer has any responsibility or liability for such information.]</p> <p>[Not applicable; the Issuer does not consent to the use of the Base Prospectus for any subsequent resale of the Securities [other than by [Credit Suisse International]/[Credit Suisse Securities (Europe) Limited]/[●] as dealer].]</p>																																																
Section B – Issuer																																																		
B.1	Legal and commercial name of the Issuer:	Credit Suisse AG, acting through its [London]/[Nassau] Branch (the "Issuer").																																																
B.2	Domicile and legal form of the Issuer, legislation under which the Issuers operates and country of incorporation of Issuer:	The Issuer is a Swiss bank and joint stock corporation established under Swiss law on 5 July 1856 and operates under Swiss law. Its registered head office is located at Paradeplatz 8, CH-8001, Switzerland.																																																
B.4b	Known trends with respect to the Issuer and the industries in which it operates:	Not applicable; there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for its current financial year.																																																
B.5	Description of group and Issuers' position within the group	The Issuer is a wholly owned subsidiary of Credit Suisse Group AG. CS has a number of subsidiaries in various jurisdictions.																																																
B.9	Profit forecast or estimate:	Not applicable; no profit forecasts or estimates have been made by the Issuer.																																																
B.10	Qualifications in audit report on historical financial information:	Not applicable; there were no qualifications in the audit report on historical financial information.																																																
B.12	Selected key financial information; no material adverse change and description of significant change in financial or trading position of the Issuer:	<table> <tr> <td><i>In CHF million</i></td><td colspan="2"><i>Year ended 31 December</i></td></tr> <tr> <td></td><td><i>2013</i></td><td><i>2012</i></td></tr> <tr> <td>Selected income statement data</td><td></td><td></td></tr> <tr> <td>Net Revenue</td><td>25,330</td><td>23,178</td></tr> <tr> <td>Total operating expenses</td><td>21,567</td><td>21,108</td></tr> <tr> <td>Net income/loss</td><td>2,638</td><td>1,495</td></tr> <tr> <td>Selected balance sheet data</td><td></td><td></td></tr> <tr> <td>Total assets</td><td>854,412</td><td>908,160</td></tr> <tr> <td>Total liabilities</td><td>810,849</td><td>865,999</td></tr> <tr> <td>Total equity</td><td>43,563</td><td>42,161</td></tr> <tr> <td><i>In CHF million</i></td><td colspan="2"><i>Six months ended 30 June</i></td></tr> <tr> <td></td><td><i>2014</i></td><td><i>(unaudited) 2013</i></td></tr> <tr> <td>Selected income statement data</td><td></td><td></td></tr> <tr> <td>Net Revenue</td><td>13,031</td><td>13,787</td></tr> <tr> <td>Total operating expenses</td><td>11,899</td><td>10,408</td></tr> <tr> <td>Net income/loss</td><td>313</td><td>2,414</td></tr> </table>	<i>In CHF million</i>	<i>Year ended 31 December</i>			<i>2013</i>	<i>2012</i>	Selected income statement data			Net Revenue	25,330	23,178	Total operating expenses	21,567	21,108	Net income/loss	2,638	1,495	Selected balance sheet data			Total assets	854,412	908,160	Total liabilities	810,849	865,999	Total equity	43,563	42,161	<i>In CHF million</i>	<i>Six months ended 30 June</i>			<i>2014</i>	<i>(unaudited) 2013</i>	Selected income statement data			Net Revenue	13,031	13,787	Total operating expenses	11,899	10,408	Net income/loss	313	2,414
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		<p style="text-align: right;"><i>Six months ended 30 June 2014 (unaudited)</i></p> <p style="text-align: right;"><i>Year ended 31 December 2013</i></p> <p>Selected balance sheet data</p> <table> <tr> <td>Total assets</td><td style="text-align: right;">872,656</td><td style="text-align: right;">854,412</td></tr> <tr> <td>Total liabilities</td><td style="text-align: right;">832,447</td><td style="text-align: right;">810,849</td></tr> <tr> <td>Total equity</td><td style="text-align: right;">40,209</td><td style="text-align: right;">43,563</td></tr> </table> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2013 except as disclosed below.</p> <p>On 19 May 2014, the Issuer announced a comprehensive and final settlement regarding all outstanding U.S. cross-border matters including agreements with the U.S. Department of Justice, the New York State Department of Financial Services, the Board of Governors of the U.S. Federal Reserve System and the U.S. Securities and Exchange Commission. Credit Suisse agreed to pay USD 2,815 million (CHF 2,510 million); these settlements, net of existing provisions, will result in an after-tax charge of CHF 1,598 million to be booked in the second quarter of 2014. The settlement includes a guilty plea entered into by the Issuer.</p> <p>There has been no significant change in the financial position of the Issuer since 30 June 2014.</p>	Total assets	872,656	854,412	Total liabilities	832,447	810,849	Total equity	40,209	43,563
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B.13	Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:	Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.									
B.14	Issuer's position in its corporate group and dependency on other entities within the corporate group:	<p>See Element B.5 above.</p> <p>Not applicable; CS is not dependent upon other members of its group.</p>									
B.15	Issuer's principal activities:	<p>The Issuer's principal activities are structured along three lines of business:</p> <ul style="list-style-type: none"> Investment banking: the Issuer offers securities products and financial advisory services to users and suppliers of capital around the world. Private banking: the Issuer provides comprehensive advice and a broad range of investment products and services globally, including wealth management solutions. Asset management: the Issuer offers products across a broad spectrum of investment classes, including alternative investments and multi-asset class solutions. 									
B.16	Ownership and control of the Issuer:	See Element B.5 above. CS is a wholly owned subsidiary of Credit Suisse Group AG.									
Section C - Securities											

C.1	Type and class of securities being offered:	<p>The Securities are Preference Share-linked notes.</p> <p>The Securities of a Series will be uniquely identified by ISIN: [●]; Common Code: [●]; [other security identification number].</p>
C.2	Currency:	The currency of the Securities will be [currency] (the " Settlement Currency ").
C.5	Description of restrictions on free transferability of the Securities:	<p>The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws.</p> <p>No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p> <p>Subject to the above, the Securities will be freely transferable.</p>
C.8	Description of rights attached to the securities, ranking of the securities and limitations to rights:	<p>Rights: The Securities will give each holder of Securities (a "Securityholder") the right to receive a potential return on the Securities (see Element C.18 below). The Securities will also give each Securityholder the right to vote on certain amendments.</p> <p>Ranking: The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.</p> <p>Limitation to Rights:</p> <ul style="list-style-type: none"> The Issuer may redeem the Securities early for illegality reasons or following an event of default, and will redeem the Securities early if the Issuer receives notice from the Preference Share Issuer that the Preference Shares are to be redeemed prior to the specified Maturity Date. [Include as applicable: The Securities may also be redeemed before the specified Maturity Date if there is an [Extraordinary Event ([merger,][tender offer,][nationalisation] [or][insolvency event][relating to the Preference Share Issuer]) [or]] [Additional Disruption Event ([change in law,][or] [hedging disruption] [relating to the Issuer] [or][an insolvency filing in respect of the Preference Share Issuer]). [Include if "Redemption at the Option of the Issuer" is applicable: In addition, the Issuer may redeem all of the relevant Securities, prior to the specified Maturity Date of such Securities, on the Optional Redemption Date (see Element C.18 below).] In such cases, the amount payable on such early redemption will be equal to, in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out in Element C.18 below except that, for this purpose, "Share Final" shall mean the Preference Share Value on the relevant date on which the Securities are scheduled to be redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities). The terms and conditions of the Securities contain provisions for convening meetings of Securityholders to consider any matter affecting their interests, and any resolution passed by the relevant majority at a meeting will be binding on all Securityholders, whether or not they attended such meeting or voted for or against it. In certain circumstances, the Issuer may modify the terms and conditions of the Securities without the

		<p>consent of Securityholders.</p> <ul style="list-style-type: none"> The Securities are subject to the following events of default: if the Issuer fails to pay any amount due in respect of the Securities within 30 days of the due date, or if any events relating to the insolvency or winding up of the Issuer occur. The Issuer may at any time, without the consent of the Securityholders, substitute for itself as Issuer under the Securities any company with which it consolidates, into which it merges or to which it sells all or substantially all its property. <p>Governing Law: The Securities are governed by English law.</p>
C.11	Admission to trading:	<p>[Application [has been]/[will be] made to admit the Securities to trading on [the Regulated Market of the Luxembourg Stock Exchange]/[other regulated market].]</p> <p>[Not applicable; the Securities will not be admitted to trading on any exchange.]</p>
C.15	Effect of the underlying instrument(s) on value of investment:	<p>The value of the Securities and the Redemption Amount payable in respect of the Securities being redeemed on the Maturity Date will depend on the performance of the Preference Shares which in turn depends on the performance of the Preference Share Underlying(s) to which the Preference Shares give investment exposure.</p> <p>See Elements C.18 and C.20 below for details on the Preference Share and the Preference Share Underlying(s) and how the value of the Securities is affected by the value of the Preference Share, which is in turn affected by the value of the Preference Share Underlying(s).</p>
C.16	Scheduled Maturity Date:	<p>The scheduled Maturity Date of the Securities is [the Valuation Date]/[specify other if relevant].</p>
C.17	Settlement Procedure:	<p>The Securities will be delivered by the Issuer against payment of the issue price. Settlement procedures will depend on the clearing system for the Securities and local practices in the jurisdiction of the investor.</p> <p>The Securities are cleared through [Euroclear Bank S.A./N.V.]/[Clearstream Banking, société anonyme]/[CREST]/[specify other].</p>
C.18	Return on Derivative Securities:	<p>The return on the Securities will derive from:</p> <ul style="list-style-type: none"> the Interest Amount(s) payable (if any); the potential payment of an [include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: Unscheduled Termination Amount]/[include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: Early Payment Amount] following early redemption of the Securities as a result of an event of default or for illegality reasons or if the Issuer receives notice from the Preference Share Issuer that the relevant Preference Shares are to be redeemed prior to the specified Maturity Date[or if there is an ["Extraordinary Event" (such as a [merger,][tender offer,][nationalisation] [or][insolvency event][relating to the Preference Share Issuer]) [or]] ["Additional Disruption Event" (such as a [change in law,][or][hedging disruption] [relating to the Issuer] [or][an insolvency filing in respect of the Preference Share Issuer]); [and]

		<ul style="list-style-type: none"> • <i>[Include if "Redemption at the Option of the Issuer" is applicable the potential payment of an Optional Redemption Amount following early redemption of the Securities due to the exercise by the Issuer of its call option; [and]]</i> • unless the Securities have been previously redeemed or purchased and cancelled, the payment of the Redemption Amount on the scheduled Maturity Date of the Securities. <p style="text-align: center;">INTEREST AMOUNT(S)</p> <p><i>[Include if the Securities do not bear interest: The Securities shall not bear interest.]</i></p> <p><i>[Include if the Securities bear fixed rate interest: The Securities shall bear interest at [the rate of [rate] per cent. per annum]/[[specify amount] per Security] and interest will accrue from, and including, [the issue date]/[date] to, but excluding, [the Maturity Date]/[date], such interest being payable in arrear on each Interest Payment Date. The Interest Payment Date(s) will be [date(s)]. The yield is [specify yield], calculated at the issue date on the basis of the issue price.]</i></p> <p><i>[Include if the Securities bear floating rate interest: The Securities shall bear interest on the basis of [specify the floating rate option] [+/-] [specify spread] per cent. per annum with a designated maturity of [specify designated maturity] on [screen page] [capped at [specify maximum amount]] [and] [floored at [specify minimum amount]] and interest will accrue from, and including, [the issue date]/[date] to, but excluding, the Maturity Date, such interest being payable in arrear on each Interest Payment Date. The Interest Payment Date(s) will be [date(s)].]</i></p> <p><i>[Include if "Redemption at the Option of the Issuer" is applicable:</i></p> <p style="text-align: center;">OPTIONAL REDEMPTION AMOUNT</p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, the Issuer may exercise its call option and redeem all the Securities on the relevant Optional Redemption Date at the Optional Redemption Amount by giving notice to the Securityholders.</p> <p>Where:</p> <ul style="list-style-type: none"> • Optional Redemption Date(s): [date(s)]/[As specified in the table below]. <p style="margin-left: 40px;">[Optional Redemption Date, [●]]</p> <p style="margin-left: 40px;"><i>(Repeat as necessary)</i></p> <ul style="list-style-type: none"> • Optional Redemption Amount: in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out below except that, for this purpose, "Share Final" shall mean the Preference Share Value on the Optional Redemption Valuation Date. • Optional Redemption Valuation Date: the date on which the Securities are scheduled to be redeemed in accordance with the Issuer's call option (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities). <p><i>[Include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: UNSCHEDULED TERMINATION AMOUNT]/[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply.</i></p>
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		<p>EARLY PAYMENT AMOUNT]</p> <p>Unless the Securities have been previously redeemed or purchased and cancelled:</p> <ol style="list-style-type: none"> 1. if an event of default has occurred and is continuing, then a Securityholder may by notice declare its Security or Securities immediately due and payable, whereupon such Security or Securities shall become redeemable at its or their [Unscheduled Termination Amount]/[Early Payment Amount] unless prior to receipt of such notice all events of default have been cured; and 2. the Issuer will redeem the Securities at the [Unscheduled Termination Amount]/[Early Payment Amount] if the Issuer receives notice from the Preference Share Issuer that the relevant Preference Shares are to be redeemed prior to the specified Maturity Date; and 3. the Issuer may redeem the Securities at the [Unscheduled Termination Amount]/[Early Payment Amount] for illegality reasons [or if there is an [Extraordinary Event ([merger,][tender offer,][nationalisation] [or][insolvency event][relating to the Preference Share Issuer]) [or][Additional Disruption Event ([change in law][or][hedging disruption] [relating to the Issuer] [or][an insolvency filing in respect of the Preference Share Issuer]) [Include as applicable]. <p>Where</p> <ul style="list-style-type: none"> • [Early Payment Amount]/[Unscheduled Termination Amount]: in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out below except that, for this purpose, "Share Final" shall mean the Preference Share Value on the Early Redemption Valuation Date. • Early Redemption Valuation Date: the date on which the Securities are scheduled to be redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities). <p style="text-align: center;">REDEMPTION AMOUNT</p> <p>Unless the Securities have been previously redeemed or purchased and cancelled, the Issuer shall redeem the Securities on the Maturity Date at the Redemption Amount.</p> <p>Where:</p> <ul style="list-style-type: none"> • Calculation Agent: [Credit Suisse International, One Cabot Square, London E14 4QJ.]/[●]. • Currency Business Day: a day which is a banking day in the Financial Centre(s) (if any) and on which (unless the Settlement Currency is euro) commercial banks and foreign exchange markets are generally open to settle payments in the city or cities determined by the Issuer to be the principal financial centre(s) for the Settlement Currency and, if the Settlement Currency is euro, which is also a TARGET Business Day. • Financial Centre(s): [●]/[Not Applicable]. • Initial Valuation Date: the [Tranche 1] issue date or, if such day is not a Currency Business Day, the immediately succeeding
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		<p>Currency Business Day.</p> <ul style="list-style-type: none"> • Notional Amount: the Specified Denomination. • Preference Share Value: <i>[Include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent using its internal models and methodologies and taking into account such factor(s) as the Calculation Agent determines appropriate, including but not limited to: (a) the time remaining to maturity of the Preference Share; (b) the interest rates at which banks lend to each other; (c) the interest rate at which the Issuer (or its affiliates) would be charged to borrow cash; (d) if the Preference Share is linked to one or more underlying assets, the value, expected future performance and/or volatility of such underlying asset(s); and (e) any other information which the Calculation Agent determines relevant. Following such determination, the Preference Share Value is scheduled to be published by the Issuer on each Currency Business Day on the Information Source or such widely available replacement price source as is specified by notice to the holders of the Securities.]/[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent in its sole and absolute discretion. The Preference Share Value is scheduled to be published on each Currency Business Day on the Information Source or such widely available replacement price source as is specified by notice to the holders of the Securities.]</i> • [Preference Share Valuation Date: <i>[date]</i> <i>[insert if auto-call feature applies to the Preference Shares: or, if the Preference Shares are subject to redemption as a result of the auto-call feature being triggered on any Preference Share Trigger Barrier Observation Date(s), the date on which the auto-call feature is triggered], provided if any date used for the valuation or any determination of the Preference Share Underlying(s) (or any part thereof) for the Preference Shares falling on or about such day is delayed or to be delayed in accordance with the terms and conditions of the Preference Shares, the Preference Share Valuation Date shall be the latest delayed date on which any valuation or determination is made.]</i> • [Preference Share Trigger Barrier Observation Date(s): <i>[date(s)].</i> • Redemption Amount: in respect of each Security of the Specified Denomination, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula, [rounded down to the nearest transferable unit of the Settlement Currency]/[rounded up to the nearest fourth decimal place]: $\text{Notional Amount} \times \left(\frac{\text{Share Final}}{\text{Share Initial}} \right)$ • Specified Denomination: [●]. • Share Final: the Preference Share Value on the Valuation Date. • Share Initial: the Preference Share Value on the Initial
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		<p>Valuation Date.</p> <ul style="list-style-type: none"> • TARGET Business Day: means a day on which the TARGET2 System or any successor thereto is operating, where "TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System. • Valuation Date: [●] /[[●] Currency Business Days following the Preference Share Valuation Date.] • Valuation Time: [●]/[5.00 pm (London time)].
C.19	Final reference price of underlying:	The Share Final is the Preference Share Value on the Valuation Date.
C.20	Type of underlying	<p>Amounts payable at maturity in respect of the Securities will be calculated by reference to the performance of a single Preference Share in the Preference Share Company issued in respect of the protected Cell of the Preference Share Company (the "Preference Share Issuer").</p> <p>A copy of the Preference Share Issuer's constitutional documents and the applicable terms and conditions of the class of Preference Shares (the "Preference Share Terms and Conditions") are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands and from the Distributor of the Securities. <i>[If specified in the Final Terms:</i> The Preference Share Terms and Conditions will also be available on the following website: [●]].</p> <p>The performance of each Preference Share is in turn linked to the performance of one or more underlying asset(s) which may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies and which may change over time as a result of performance, the exercise of investment management discretion or other factors (each a "Preference Share Underlying"). The Preference Share Terms and Conditions will provide that the Preference Shares will be redeemable on their final redemption date at a defined amount as determined in accordance with the Preference Share Terms and Conditions. The value of the Preference Shares is scheduled to be published by the Issuer on each Currency Business Day on the Information Source.</p> <p>The Preference Share Terms and Conditions are expected to provide that the Preference Share Issuer may redeem the Preference Shares early if: (a) the Preference Share Calculation Agent determines that, for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; (b) the Preference Share Calculation Agent determines that certain events which affect the Preference Share Issuer's hedging arrangements or the Preference Share Underlying(s) have occurred, and no adjustment to the terms and conditions of the Preference Shares will achieve a commercially reasonable result; or (c) the Preference Share Calculation Agent determines that there is a change in applicable law or regulation that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be materially onerous to it.</p> <p>Where:</p>

		<ul style="list-style-type: none"> • Bloomberg Code: [●]. • Cell: [●]. • Information Source: [●]/[Bloomberg Code [CSSN]]/[website] <i>[specify the applicable price source for the publication of the Preference Share Value and, if publication is not scheduled to be made on Bloomberg on each Currency Business Day or such other specified date(s), details of such other interval and/or widely available information service on which the Preference Share Value will be scheduled to be published].</i> • Preference Share Company: Andrea Investments (Jersey) PCC, which was established under the name Andrea IV Investments (Jersey) Limited as a closed-ended investment company, incorporated with limited liability in Jersey under the Companies (Jersey) Law 1991 on 30 October 2001 (with registered number 81180) and which was converted on 16 November 2007 into a protected cell company and had its name changed to Andrea Investments (Jersey) PCC. The Preference Share Company is established under the laws of Jersey and has its registered office at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands. • Preference Shares: Series [●] Preference Shares - Class [●] <i>[title]</i> Preference Shares issued by the Preference Share Issuer in respect of the Cell.
Section D - Risks		
D.2	Key risks that are specific to the Issuer:	<p>The Securities are general unsecured obligations of the Issuer. Investors in the Securities are exposed to the risk that the Issuer could become insolvent and fail to make the payments owing by it under the Securities.</p> <p>The Issuer is exposed to a variety of risks that could adversely affect its operations and/or financial condition:</p> <ul style="list-style-type: none"> • Liquidity risk: The Issuer's liquidity could be impaired if it were unable to access the capital markets or sell its assets, and the Issuer expects its liquidity costs to increase. The Issuer's businesses rely significantly on its deposit base for funding; however, if deposits cease to be a stable source of funding, the Issuer's liquidity position may be adversely affected. Changes to the Issuer's credit ratings may also adversely affect the Issuer's business. • Market risk: The Issuer may incur significant losses on its trading and investment activities due to market fluctuations and volatility. Its businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries it operates in around the world. The Issuer has significant risk concentration in the financial services industry which may cause it to suffer losses even when economic and market conditions are generally favourable for others in the industry. Further, the Issuer's hedging strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Market risk may also increase the other risks that the Issuer faces. • Credit risk: The Issuer may suffer significant losses from its credit exposures. Defaults by a large financial institution could adversely affect the Issuer and financial markets generally. The information which the Issuer uses to manage its credit risk may be inaccurate or incomplete.

		<ul style="list-style-type: none"> • Risks from estimates and valuations: The Issuer makes estimates and valuations that affect its reported results; these estimates are based upon judgment and available information, and the actual results may differ materially from these estimates. • Risks relating to off-balance sheet entities: The Issuer may enter into transactions with certain special purpose entities which are not consolidated and whose assets and liabilities are off-balance sheet. If the Issuer is required to consolidate a special purpose entity for any reason, this could have an adverse impact on the Issuer's operations and capital and leverage ratios. • Cross-border and currency exchange risk: Cross-border risks may increase the market and credit risks that the Issuer faces. Economic or political pressures in a country or region may adversely affect the ability of the Issuer's clients or counterparties in that country or region to perform their obligations to the Issuer, which may in turn have an adverse impact on the Issuer's operations. • Operational risk: The Issuer is exposed to a wide variety of operational risks, including information technology risk. The Issuer may suffer losses due to employee misconduct. • Risk management: The Issuer's risk management procedures and policies may not always be effective, and may not fully mitigate its risk exposure in all markets or against all types of risk. • Legal and regulatory risks: The Issuer faces significant legal risks in its businesses. Regulatory changes may adversely affect the Issuer's business and ability to execute its strategic plans. Under Swiss banking laws, FINMA has broad powers in the case of resolution proceedings with respect to a Swiss bank such as the Issuer, and such proceedings may adversely affect the Issuer's shareholders and creditors. Changes in monetary policies adopted by relevant regulatory authorities and central banks may directly impact the Issuer's costs of funding, capital raising and investment activities, and may impact the value of financial instruments held by the Issuer and the competitive and operating environment for the financial services industry. Legal restrictions on the Issuer's clients may also adversely affect the Issuer by reducing the demand for the Issuer's services. • Competition risks: The Issuer faces intense competition in all financial services markets and for the products and services it offers. The Issuer's competitive position could be harmed if its reputation is damaged due to any failure (or perceived failure) in its procedures and controls. The continued public focus on compensation in the financial services industry and related regulatory changes may adversely impact the Issuer's ability to attract and retain highly skilled employees. The Issuer also faces competition from new trading technologies. • Risks relating to strategy: The Issuer may not achieve all of the expected benefits of its strategic initiatives. The Issuer has announced a program to change its legal entity structure; however, this is subject to uncertainty regarding feasibility, scope and timing. Legal and regulatory changes may require the Issuer to make further changes to its legal structure, and such changes may potentially increase operational, capital, funding and tax costs, as well as the Issuer's counterparties' credit risk.
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D.6	<p>Key risks that are specific to the Securities and risk warning that investors may lose value of entire investment or part of it:</p>	<p>Investors may lose up to all of their investment in the Securities.</p> <p>The Securities are subject to the following key risks:</p> <ul style="list-style-type: none"> • A secondary market for the Securities may not develop and, if it does, it may not provide the investors with liquidity and may not continue for the life of the Securities. Illiquidity may have an adverse effect on the market value of the Securities. Investors must be prepared to hold the Securities until their redemption. The Issuer may, but is not obliged to, provide a secondary market for the Securities and any such market making may be discontinued at any time without notice. The price (if any) in the secondary market for a Security may be less than its issue price even though the value of the Preference Shares may not have changed since the issue date. • Investors should be aware that the Securities are capital at risk investments and that they are exposed to the performance of the Preference Shares which are in turn exposed to the performance of the Preference Share Underlying(s). If the performance of the Preference Shares is zero or negative then investors in the Securities may lose the value of all or part of their investment. • Investors in the Securities should conduct such independent investigation and analysis regarding the Preference Shares, the Preference Share Terms and Conditions, the Preference Share Underlying(s) and the Preference Share Issuer as they deem appropriate to evaluate the merits and risks of an investment in the Securities and should consult with their own professional advisers if they consider it necessary. • A Security does not represent a claim against the relevant Preference Share Issuer and, in the event of any loss, a Securityholder will not have recourse to the Preference Share Issuer. • The value or level of the Preference Share Underlying(s) (and, if applicable, of any constituent of the Preference Share Underlying(s)) and therefore the value of the Preference Shares may go down as well as up. Such fluctuations will affect the value of the Securities. The value or level of the Preference Share Underlying(s) at any specific date may not reflect the prior or future performance of the Preference Share Underlying(s) or the Preference Shares. There can be no assurance as to the future performance of the Preference Share Underlying(s) or the Preference Shares. Accordingly, before investing in the Securities, investors should carefully consider whether an investment linked to the Preference Shares which are in turn linked to the Preference Share Underlying(s) is suitable for them. • A Preference Share Underlying is subject to its own unique nature, characteristics and risks in relation to its application as a reference asset to which the amount payable on the Preference Shares and in turn the Securities is dependent. Before purchasing Securities, investors should ensure that they understand such nature, characteristics and risks, and how the value of the Securities could be affected by such Preference Share Underlying. • A Preference Share and its exposure to the Preference Share Underlying(s) may involve complex risks, which include, among other things, share price risks, credit risks, commodity risks, foreign exchange risks, interest rate risks, political risks, tax risks, inflation risks and/or issuer risks. If the Preference Shares are linked to a Preference Share Underlying which involves emerging market countries there may be additional risks,
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		<p>including event, market, liquidity, regulatory, settlement and holder risks and investors should note that the risk of occurrence and the severity of the consequences of such matters may be greater than they would otherwise be in relation to more developed countries.</p> <ul style="list-style-type: none"> • The market value of the Securities and the amount payable at maturity depend on the performance of the Preference Shares and in turn on the performance of the relevant Preference Share Underlying(s). The performance of the Preference Share Underlying(s) may be subject to sudden and large unpredictable changes over time (known as "volatility"), which may be affected by national or international, financial, political, military or economic events or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities. • The Redemption Amount payable at the maturity of the Securities is dependent upon the change in the value of the Preference Shares to which the Securities are exposed during their investment term. The value of the Preference Shares may fluctuate up or down depending on (i) the performance of the Preference Share Underlying as set out in the Preference Share Terms and Conditions and (ii) the financial condition and standing of the Preference Share Issuer. If, as a result of the performance of the Preference Share Underlying(s), the performance of the Preference Shares is negative the value of the Securities will be adversely affected. Purchasers of Securities risk losing all or a part of their investment if the value of the Preference Shares declines over the investment term of such Securities. • The Securities are linked to the performance of the Preference Shares issued by the Preference Share Issuer. Investors bear the Preference Share Issuer risk. The value of the Securities is dependent on the value of the Preference Share, which is dependent on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Securities. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited, any misappropriation of funds or other fraudulent action by the Preference Share Issuer or a person acting on its behalf would have a significant effect on the value of the Preference Shares which would affect the value of the Securities. • The levels and basis of taxation on the Securities and any reliefs from such taxation will depend on an investor's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for investors. Potential Securityholders will therefore need to consult their tax advisers to determine the specific tax consequences of the purchase, ownership, transfer and redemption or enforcement of the Securities. • In certain circumstances (for example, if the Issuer determines that its obligations under the Securities have become unlawful or illegal, upon certain events having occurred in relation to the Preference Shares or the Preference Share Issuer or following an event of default) the Securities may be redeemed prior to their scheduled maturity. In such circumstances, the [Unscheduled Termination Amount]/[Early Payment Amount] payable may be less than the original purchase price and could
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		<p>be as low as zero.</p> <ul style="list-style-type: none"> • Following early redemption of Securities, investors may not be able to reinvest the redemption proceeds on terms as favourable as the Securities being redeemed and may only be able to do so on significantly less favourable terms. Investors in Securities should consider such reinvestment risk in light of other investments available at that time. • <i>[Include if "Redemption at the Option of the Issuer" is applicable: During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the cost of hedging the amounts payable on the Securities. As such, an investor would generally not be able to reinvest the redemption proceeds on terms as favourable as the Securities being redeemed.]</i> • An investment in the Securities is not the same as an investment in the Preference Shares, the relevant Preference Share Underlying(s), or any securities or other constituent constituted in the relevant Preference Share Underlying(s)). Investors will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to the Preference Shares or the Preference Share Underlying(s) (or any constituent of the Preference Share Underlying(s)). • Investors may be exposed to currency risks affecting the performance of the Preference Share Underlying(s). Investors will also be exposed to currency risks if the Securities are denominated in currencies other than the currency of the country in which the investor is resident. • <i>[Include if the Securities are not fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: The Preference Share Issuer may adjust the terms and conditions of the Preference Shares following certain adjustment events or other events affecting the Preference Share Issuer's hedging arrangements or the Preference Share Underlying(s) or, if it determines that any such adjustment would not achieve a commercially reasonable result, it may redeem the Preference Shares at their fair market value less any costs associated with the early redemption of the Preference Shares including, if specified to be applicable in the terms and conditions of the Preference Shares, the costs of unwinding any hedging arrangements relating to the Preference Shares or the Securities. Additionally, the Preference Shares may be redeemed early due to an early redemption event. The Securities will be subject to early redemption at the Unscheduled Termination Amount if the Preference Shares are redeemed early, which may be less (and, in certain circumstances, significantly less) than investors' initial investment in the Securities.]</i> • <i>[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus or the 25 August 2014 Base Prospectus apply: The Preference Share Issuer may adjust the terms and conditions of the Preference Shares following certain adjustment events or other events affecting the Preference Share Underlying or, if it determines that it is unable to make any such adjustment, it may redeem the Preference Shares at their</i>
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		<p>market value less any costs associated with the early redemption of the Preference Shares including the costs of unwinding any hedging arrangements relating to the Preference Shares or the Securities. Additionally, the Preference Shares may be redeemed early due to an early redemption event. The Securities will be subject to early redemption at the <i>[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 2013 Base Prospectus apply: Early Payment Amount]</i><i>[Include if the Securities are fungible issuances (or any other Series of Securities) where the terms and conditions from the 25 August 2014 Base Prospectus apply: Unscheduled Termination Amount]</i> if the Preference Shares are redeemed early, which may be less (and, in certain circumstances, significantly less) than investors' initial investment in the Securities.]</p> <ul style="list-style-type: none"> • In making discretionary determinations under the terms and conditions of the Securities, the Issuer and the Calculation Agent may take into account the impact on the relevant hedging arrangements. Such determinations could have a material adverse effect on the value of the Securities and could result in their early redemption. • The Issuer, the Calculation Agent, Credit Suisse International in its capacity as the calculation agent and/or determination agent in respect of the Preference Shares (the "Preference Share Calculation Agent"), the dealer(s) and their affiliates (and any of their employees) (together, the "Relevant Parties") are subject to a number of potential conflicts of interest, including: (a) in making certain calculations and determinations, there may be a difference of interest between the investors and the Relevant Parties or any of them, (b) in the ordinary course of its business the Issuer (or an affiliate) or another Relevant Party may effect transactions for its own account and may enter into hedging transactions with respect to the Securities or the related derivatives (including in respect of the Preference Share Underlying), which may affect the market price, liquidity or value of the Securities, and (c) the Issuer (or an affiliate) or another Relevant Party may have confidential information in relation to the Securities, the Preference Shares or the Preference Share Underlying or any derivative instruments referencing them which may be material to an investor, but which the Issuer or such other Relevant Party is under no obligation (and may be subject to legal prohibition) to disclose. • The issue price of the Securities may be more than the market value of such Securities as at the issue date, and more than the price at which the Securities can be sold in secondary market transactions. • <i>[Include if the Securities will be listed: Investors should note that the Issuer will not be obliged to maintain the listing of the Preference Share-Linked Securities in certain circumstances, such as a change in listing requirements.]</i> • If there is a disruption event that affects the ability to value the Preference Share Underlying on any day that a valuation is required for the purposes of the relevant Preference Shares, the fallback provisions in the terms and conditions of the relevant Preference Shares will apply. Such fallbacks may include postponement of the relevant valuation or determination by Credit Suisse International in its capacity as the calculation agent and/or the determination agent in respect of the Preference Shares, each of which may have an adverse effect on the value of the relevant Preference Shares and the
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		Securities linked to such Preference Shares.
Section E - Other		
E.2b	Reasons for the offer and use of proceeds:	[Not applicable; the net proceeds from the issue of the Securities will be used by the Issuer to hedge its obligations under the Securities and for general corporate purposes.]/[The Issuer intends to use the net proceeds from the offer of the Securities for the following purpose[s]: <i>[specify use of proceeds]</i> .]
E.3	Terms and conditions of the offer:	<p>[The Securities have been offered to the dealer at the Issue Price. The Securities are not being publicly offered.]</p> <p>[Not applicable; the offer of the Securities is not subject to any conditions.]</p> <p>[An offer of the Securities will be made in <i>[jurisdiction]</i> during the period from, and including, <i>[date]</i> to, and including, <i>[[time] on] [date]</i>, (the "Offer Period"). [The Offer Period may be discontinued at any time.] The offer price will be equal to <i>[specify price]</i>/[<i>give details</i>].]</p> <p>[The Securities are offered subject to the following conditions:</p> <p>[The offer of the Securities is conditional on their issue.]</p> <p>[The offer may be cancelled if the [Aggregate Nominal Amount]/[aggregate number of Securities] purchased is less than [●], or if the Issuer or the [relevant] Distributor determines that certain circumstances have arisen that makes it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions.]</p> <p>[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the issue date.]</p> <p>[Description of the application process: [●]]</p> <p>[Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [●]]</p> <p>[The [maximum]/[minimum] [number]/[amount] of Securities each individual investor may subscribe for is [●].]</p> <p>[Payments for the Securities shall be made to the [relevant] Distributor [on [●]]/[such date as the [relevant] Distributor may specify]]/[in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally].]</p> <p>[Manner in and date on which results of the offer are to be made public: [●]]</p> <p>[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [●]]</p>
E.4	Interests material to the issue/offer:	[Fees shall be payable to the [dealer(s)] [and] [Distributor(s)]]. The Issuer and other Relevant Parties are subject to potential conflicts of interest between their own interests and those of holders of Securities, as described in Element D.6 above.
E.7	Estimated expenses charged to the investor by the	[Not applicable; there are no estimated expenses charged to the purchaser by the [Issuer] [and] [Distributor(s)].]/[The Distributor[s] will charge purchasers a commission of [●]/[up to [●] per cent. of the [Specified Denomination]/[Nominal Amount]] per Security.]/[The Issuer will pay a fee to the distributor[s] in connection with the Offer of [●]/[up to [●] per cent. of the [Specified Denomination]/[Nominal Amount]] per

	Issuer/offeror:	Security.]/[The Securities [will be]/[have been] sold at a discount of [up to] [●] per cent.]
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RISK FACTORS

Warning: The terms and conditions of Securities issued under this Base Prospectus do not provide for scheduled repayment in full of the issue or purchase price at maturity. You may therefore lose some or all of your original investment.

In addition, you will be exposed to the credit risk of the Issuer and will lose up to the entire value of your investment if the Issuer either fails or is otherwise unable to meet its payment obligations.

You may also lose some or all of your investment if:

- **you sell your Securities prior to maturity in the secondary market at an amount that is less than your initial purchase price; or**
- **your Securities are redeemed early under their terms and conditions at the discretion of the Issuer and the Unscheduled Termination Amount paid to you is less than the initial purchase price.**

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1. General considerations

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

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

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

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

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

2. Risks associated with the creditworthiness of the Issuer

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

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

These risk factors should be read together with the risk factors in respect of Credit Suisse AG listed on pages 35 to 42 (pages 57 to 64 of the PDF file) of the Exhibit to the Form 20-F Dated 3 April 2014 (as defined in the section headed "Documents Incorporated By Reference" in this Base Prospectus). Such risk factors are risk factors that are material to the Securities in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them.

3. Risks relating to Securities generally

(a) Loss of investments

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

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

(b) Limited liquidity

A secondary market for the Securities may not develop and, if one does develop, it may not provide the holders of the Securities with liquidity or may not continue for the life of the Securities. A decrease in the liquidity of an issue of Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities. Illiquidity may have a severely adverse effect on the market value of Securities.

The Issuer may, but is not obliged to, purchase Securities at any time at any price in the open market or by tender or private treaty and may hold, resell or cancel them. The market for Securities may be limited. The only way in which a Securityholder can realise value from a Security prior to its maturity or expiry is to sell it at its then market price in the market which may be less than the amount initially invested. The price in the market for a Security may be less than its Issue Price even though the value of the Preference Share and/or the Preference Share Underlying(s) may not have changed since the Issue Date.

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

(c) The Issue Price may be more than the Securities' market value

The Issue Price in respect of any Securities specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) may be more than the market value of such Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, the Issue Price in respect of any Securities may take into account amounts with respect to commissions, including commissions payable to persons through whom investors purchase the Securities, relating to the issue and sale of such Securities and amounts relating to the hedging of the Issuer's obligations under such Securities.

(d) The market value of Securities may be highly volatile

The Securityholders are exposed to the performance of the Preference Shares, which are in turn exposed to the performance of the relevant Preference Share Underlying(s). The price, performance or investment return of the relevant Preference Share Underlying(s) may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of the relevant Preference Share Underlying(s) 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 relevant Preference Shares and in turn the Securities, which are linked to such Preference Shares.

(e) Optional redemption by the Issuer

Any call option of the Issuer in respect of the Securities may negatively impact their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the cost of hedging the amounts payable on the Securities. At those times, an investor may not be able to reinvest the redemption proceeds on terms as favourable as the Securities being redeemed. The investor will not be able to participate in the performance of the Preference Shares or relevant Preference Share Underlying following the effective date of the Issuer call option.

(f) Interest rate risks

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

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

(g) **Risk of withdrawal of offering and/or cancellation of issue of Securities**

In the case of public offers, the Issuer may provide in the relevant Final Terms that it is a condition of the offer that the Issuer reserves the right to withdraw the offer and/or cancel the issue of Securities at any time. The Issuer may determine to withdraw the offer and/or cancel the issue of Securities for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer and/or the other relevant events that in the determination of the Issuer may be prejudicial to the offer and/or issue of the Securities. In such circumstances, the offer will be deemed to be null and void. In such case, where an investor has already paid or delivered subscription monies for the relevant Securities, the investor will be entitled to reimbursement of such amounts, but will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Securities.

(h) **Issue of further Securities**

If additional securities or options with the same terms and conditions or linked to the same Preference Share Underlying(s) as the Securities are subsequently issued, either by the Issuer or another issuer, the supply of securities with such terms and conditions or linked to such Preference Share Underlying(s) in the primary and secondary markets will increase and may cause the secondary market price of the Securities to decline.

(i) **No obligation to maintain listing**

Investors should note that where the Preference Share-Linked Securities are (i) listed or admitted to trading on a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments or (ii) listed on a market not regulated for such purpose, the Issuer will not be obliged to maintain the listing of the Preference Share-Linked Securities in certain circumstances, such as a change in listing requirements.

4. **General risks relating to Preference Share-Linked Securities**

(a) **General risks**

The Redemption Amount payable at the maturity of each series of Preference Share-Linked Securities is dependent upon the change in the value of the relevant Preference Shares to which the Securities of the relevant series are exposed during their investment term. The value of the relevant Preference Shares may fluctuate up or down depending on (i) the performance of the relevant Preference Share Underlying(s) as set out in the terms and conditions of the Preference Shares (the "**Preference Share Terms and Conditions**") and (ii) the financial condition and standing of the Preference Share Issuer. If, as a result of the performance of the Preference Share Underlying(s), the performance of the Preference Shares is negative, the value of the Preference Share-Linked Securities will be adversely affected. If the Preference Share Issuer for a particular Series of Preference Shares cannot meet all its obligations in respect of all Classes of Preference Shares within the Series, then the available funds for the Series will be distributed amongst the shareholders of such Series, pro-rata on the basis of the number of shares held, and the shareholder shall have no further recourse against the Preference Share Issuer. Further, if there are two or more Classes in a Series which have different final redemption dates and the assets of the Series are insufficient to pay in full the payments scheduled to be paid in respect of the Preference Shares of each Class, the percentage of the payment to be received by the shareholders of the Class to be redeemed first will be higher than the ones to be redeemed later. This could negatively affect the value of the Preference Share of the relevant Class and therefore the value of the Securities. Purchasers of Preference Share-Linked Securities risk losing all or a part of their investment if the value of the Preference Shares declines over the investment term of such Securities.

Investors should be aware that the Securities are capital at risk investments and they are exposed to the performance of the Preference Shares which are in turn exposed to the performance of the Preference Share Underlying.

The Preference Share Terms and Conditions provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Preference Share Terms and Conditions). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying.

Investors should review the Preference Share Terms and Conditions and the information memorandum describing the Preference Shares (including the risk factors) and ensure that they understand how the performance of the Preference Shares and Preference Share Underlying will affect the Securities. Investors should consult with their own professional advisers if they consider it necessary.

A Preference Share and its exposure to the Preference Share Underlying may involve complex risks, which include, among other things, share price risks, credit risks, commodity risks, foreign exchange risks, interest rate risks, political risks, tax risks, inflation risks and/or issuer risks, only some of which are referred to above. If the Preference Shares are linked to a Preference Share Underlying which involves emerging market countries there may be additional risks, including event, market, liquidity, regulatory, settlement and holder risks and investors should note that the risk of occurrence and the severity of the consequences of the matters described herein may be greater than they would otherwise be in relation to more developed countries.

If there is a disruption event that affects the ability to value the Preference Share Underlying on any day that a valuation is required for the purposes of the relevant Preference Shares, the fallback provisions in the terms and conditions of the relevant Preference Shares will apply. Such fallbacks may include postponement of the relevant valuation or determination by Credit Suisse International in its capacity as the calculation agent and/or the determination agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**"), each of which may have an adverse effect on the value of the relevant Preference Shares and the Securities linked to such Preference Shares.

Please refer to the section headed "Overview of the Potential for Discretionary Determinations" for more information.

An investment in Preference Share-Linked Securities will entail significant risks not associated with a conventional debt or equity security. Purchasers of Preference Share-Linked Securities should conduct their own investigations and, in deciding whether or not to purchase the Preference Share-Linked Securities, prospective purchasers should form their own views of the merits of an investment related to the Preference Shares based upon such investigations and not in reliance on any information given in this Base Prospectus.

An investment in the Securities is not the same as an investment in the Preference Shares, the relevant Preference Share Underlying(s), or any securities or other constituent comprised in the relevant Preference Share Underlying(s). In addition, investors will not benefit from any voting rights, dividends or other distributions from or in respect of the Preference Shares or any income attributable to any securities or other constituent comprised in any relevant Preference Share Underlying.

None of the Issuer, the Calculation Agent, the Dealer or any of their respective affiliates have undertaken any investigation of the Preference Shares or Preference Share Underlying for or on behalf of any investor in the Securities.

Except for the publication of the Preference Share Value and as otherwise expressly set out in the Conditions of the Securities, the Issuer will not have any obligation to keep the Securityholders informed as to matters arising in relation to the Preference Shares.

(b) Risks relating to the Preference Share Underlying

The Preference Share Underlying may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies which may

change over time as a result of performance, the exercise of investment management discretion or other factors and will be specified in the terms and conditions of the relevant Class of Preference Shares. Investors should carefully consider the following risks associated with these asset classes, on the basis that the Preference Shares to which the Securities are linked will be affected by their exposure to the relevant Preference Share Underlying:

(i) *Risks relating to the manner in which the Preference Shares give exposure to the relevant Preference Share Underlying*

(A) *Use of leverage factors over 100 per cent.*

Where the terms and conditions of the Preference Shares provide that the redemption amount or any other amount payable in respect of the Preference Shares is based upon the performance of the Preference Shares Underlying(s) and is multiplied by a leverage factor which is over 100 per cent., the holder of the Preference Share-Linked Securities may be indirectly exposed disproportionately to any positive performance and/or may have a disproportionate exposure to any negative performance of the Preference Share Underlying(s). Due to this leverage effect, such Securities will represent a very speculative and risky form of investment since any loss in the value of the underlying carries the risk of a correspondingly higher loss.

(B) *The effect of averaging*

If so provided in the applicable terms and conditions of the Preference Shares, the amount payable on the Preference Shares (whether at maturity or otherwise) will be based on the arithmetic average of the applicable levels, prices, rates or other applicable values of the Preference Share Underlying(s) over the term of the Preference Shares. For example, if the applicable level, price, rate or other applicable value of the particular Preference Share Underlying(s) dramatically surged on the last of five averaging dates, the amount payable on the Preference Shares and in turn the Preference Share-Linked Securities may be significantly less than it would have been had the amount payable been linked only to the applicable level, price, rate or other applicable value of the particular Preference Share Underlying(s) on that last averaging date.

(C) *"Worst-of" exposure to the Preference Share Underlying*

In certain circumstances Investors will be exposed to the performance of the Preference Share Underlying which has the worst performance. This means that, irrespective of how the other Preference Share Underlying(s) perform, if any one or more Preference Share Underlyings fail to meet the specified threshold or barrier, holders could lose some or all of their initial investment.

(D) *The potential for the value of the Preference Shares to increase may be limited*

Where the terms and conditions of the Preference Shares provide that the amount payable is subject to a cap, the value of the Preference Shares and therefore exposure of a holder of the Preference Share-Linked Securities to any change in the value of the Preference Share Underlying(s) will be limited, no matter how much the level, price, rate or other applicable value of the Preference Share Underlying(s) rises above the cap level over the term of the Preference Shares. Accordingly, the value of or return on the Preference Shares, and in turn, the Preference Share-Linked Securities, may be significantly less than if the holder of the Preference Share-Linked Securities had purchased the Preference Share Underlying(s) directly.

In addition, if the upside participation rate specified in the applicable terms and conditions of the Preference Shares is less than 100 per cent. and at maturity the final level, price, rate or other applicable value of the Preference Share Underlying(s) exceeds the initial level, price, rate or

other applicable value of the Preference Share Underlying(s), the value of or return on the Preference Shares, and in turn, the Preference Share-linked Securities, may be significantly less than if the holder of the Preference Share-linked Securities had purchased the Preference Share Underlying(s) directly. This is because an upside participation rate of less than 100 per cent. will have the effect of reducing exposure of a holder of the Preference Share-Linked Securities to any positive return on the Preference Share Underlying(s).

- (ii) *Risks associated with shares (including depositary receipts) as the relevant Preference Share Underlying*
- (A) *Factors affecting the performance of shares may adversely affect the value of Securities*

The performance of shares (including depositary receipts) is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors as well as company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

- (B) *Actions by the issuer of a share (including shares represented by depositary receipts) may adversely affect the Securities*

The issuer of a share (including depositary receipts) will have no involvement in the offer and sale of the Securities and will have no obligation to any Securityholders. The issuer of a share (including depositary receipts) may take any actions in respect of such share without regard to the interests of holders of relevant Preference Shares or the Securityholders in respect of relevant Securities, and any of these actions could adversely affect the market value of the relevant Preference Shares and, in turn, the relevant Securities.

- (C) *Loss of return of dividends in respect of Securities where the relevant Preference Share Underlying is a share*

Holders of Securities where the relevant Preference Share Underlying is a share (including depositary receipts) will not participate in dividends or other distributions paid on such share. Therefore, the return on such Securities will not reflect the return a Securityholder would have realised had it actually owned such shares and received the dividends on them.

- (D) *Risks associated with Securities where the Preference Shares give exposure to a Preference Share Underlying that comprises or includes a basket*

- (I) *If the basket constituents are highly correlated, any move in the performance of the basket constituents will exaggerate the impact on the value of the Preference Shares and in turn the Securities:* Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation. Investors should be aware that, though basket constituents may not appear to be correlated based on past performance, they may nevertheless suffer the same negative performance following a general downturn.

- (II) *The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents:* Even in the case of a positive performance by the other basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, depending on the terms and conditions of the relevant Preference Shares.

- (III) *A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular basket constituent:* The performance of a basket that includes a fewer number of basket constituents will generally be more affected by changes in the value of any particular basket constituent than a basket that includes a larger basket.
- (IV) *A change in composition of a basket may have an adverse effect on basket performance:* Where the terms and conditions of the Preference Shares grant the Preference Share Issuer the right, in certain circumstances, to adjust the composition of the basket, investors should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket.
- (E) *Additional risks associated with Securities where the relevant Preference Share Underlying is or includes a depositary receipt*
 - (I) The performance of a Preference Share Underlying which is or includes depositary receipts may not reflect the return that would be realisable by holding the relevant shares underlying such depositary receipts and receiving the dividends paid on those shares because the price of the depositary receipts on any specified valuation dates may not take into consideration the value of dividends paid on the underlying shares. Accordingly, a Securityholder of Securities where the Preference Share Underlying is or includes depositary receipts may receive a lower payment upon redemption of such Securities than such Securityholder would have received if he or she had invested in the shares underlying the depositary receipts directly.
 - (II) The legal owner of shares underlying the depositary receipts is the custodian bank which at the same time is the issuing agent of the depositary receipts. Depending on the jurisdiction under which the depositary receipts have been issued and the jurisdiction to which the custodian agreement is subject, it cannot be ruled out that the corresponding jurisdiction does not recognise the purchaser of the depositary receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free transfer is issued with respect to the shares underlying the depositary receipts or that these shares are realised within the framework of an enforcement measure against the custodian. If this is the case, a holder of such a depositary receipt loses any rights under the underlying shares represented by the depositary receipt, and this would in turn have an adverse effect on the performance or value of the Preference Shares, and therefore of the relevant Securities, in respect of which such depositary receipts are or are part of the relevant Preference Share Underlying.
 - (III) Depositary receipts often represent shares of issuers based in emerging market jurisdictions. See the risk factor on "Emerging markets" below.
 - (IV) The issuer of the underlying shares may make distributions in respect of their shares that are not passed on to the purchasers of its depositary receipts, which can affect the value of the depositary receipts and this would in turn have an adverse effect on the performance or value of the Preference Shares, and therefore of the relevant Securities, in respect of which such depositary receipts are or are part of the relevant Preference Share Underlying.
- (iii) *Risks associated with equity indices as the relevant Preference Share Underlying*

- (A) *Factors affecting the performance of indices may adversely affect the value of the Securities*

Indices are comprised of a synthetic portfolio of shares or other assets and, as such, the performance of an index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such index, which may include interest and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

- (B) *Returns on Securities will not be the same as a direct investment in futures or options on the index or in the underlying components of the index*

An investment in the Securities is not the same as a direct investment in futures or option contracts on any or all of the indices nor any or all of the constituents comprised in each index. In particular, investors will not benefit directly from any positive movements in any index nor will investors benefit from any profits made as a direct result of an investment in each index. Accordingly, changes in the performance of any Index may not result in comparable changes in the market value of the Securities.

- (C) *Loss of return of dividends in respect of most Securities with equity indices as the relevant Preference Share Underlying*

The rules of an index might stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a "price" index. As a result, holders of Securities where such index is the Preference Share Underlying would lose the benefit of any dividends paid by the components of the index and would underperform a position where they invested directly in such components or where they invested in a "total return" version of the index. Even if the rules of the relevant underlying index provide that distributed dividends or other distributions of the components are reinvested in the index and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such index.

- (D) *A change in the composition or discontinuance of an index could have a negative impact on the value of the Securities*

The sponsor of an index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of the components of an index may affect the level of such index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may adversely affect the value of the relevant Preference Share and therefore of the relevant Securities. The sponsor of an index may also alter, discontinue or suspend calculation or dissemination of such index. The sponsor of an index will have no involvement in the offer and sale of Securities and will have no obligation to any investor in such Securities. The sponsor of an index may take any actions in respect of such index without regard to the interests of the investor in the Securities in respect of which such index is or is part of the relevant Preference Share Underlying, and any of these actions could have an adverse effect on the value of the Preference Shares, and therefore of the Securities.

- (iv) *Risks associated with commodities as the relevant Preference Share Underlying*

- (A) *Commodity prices may be more volatile than other asset classes*

Trading in commodities may be extremely volatile. Commodity prices are affected by a variety of factors that are unpredictable including, for example, changes in supply and demand relationships, weather patterns and extreme weather conditions, governmental programmes and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programmes and changes in

interest and exchange rates. Commodities markets may be subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, the participation of entities who are neither end-users nor producers and government regulation and intervention. The current or "spot" prices of physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of a commodity.

Certain emerging market countries – such as China – have become very significant users of certain commodities. Therefore, economic developments in such jurisdictions may have a disproportionate impact on demand for such commodities.

Certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers. Therefore, developments in relation to such countries or producers could have a disproportionate impact on the prices of such commodities.

In summary, commodity prices may be more volatile than other asset classes and investments in commodities may be riskier than other investments. Any of the circumstances described in this section could adversely affect prices of the relevant commodity, and therefore sharply reduce the value of the Preference Shares, and therefore of the relevant Securities, in respect of which such commodity is or is part of the relevant Preference Share Underlying.

(B) *Suspension or disruptions of market trading in commodities and related futures contracts may adversely affect the value of the Securities*

The commodity markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in contract prices which may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, trading in the contract will follow the regulations set forth by the trading facility on which the contract is listed. Limit prices may have the effect of precluding trading in a particular commodity contract, which could adversely affect the value of a commodity and, therefore, the value of the Preference Shares, and therefore of the relevant Securities, in respect of which such commodity is or is part of the relevant Preference Share Underlying.

(C) *Legal and regulatory changes*

Commodities are subject to legal and regulatory regimes that may change in ways that could affect the ability of the Issuer and/or any of its affiliates to hedge the Issuer's obligations under the Securities. Such legal and regulatory changes could lead to the early redemption of the Securities. Commodities are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could adversely affect the value of the Securities.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides for substantial changes to the regulation of the futures and over-the-counter ("**OTC**") derivative markets, was enacted in July 2010. The Dodd-Frank Act requires regulators, including the Commodity Futures Trading Commission (the "**CFTC**"), to adopt regulations in order to implement many of the requirements of the legislation. While the CFTC has proposed certain of the required regulations and has begun adopting certain final regulations, the ultimate nature and scope of the regulations cannot yet be determined. Under the Dodd-Frank Act, the CFTC has proposed a rule to impose limits on the size of positions that can be held by market participants in futures and OTC derivatives on physical commodities. While the full impact of the

rules is not yet known, these limits are likely to restrict the ability of market participants to participate in the commodity, future and swap markets and markets for other OTC derivatives on physical commodities to the extent and at the levels that they have in the past. These factors may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. These factors may have the effect of reducing liquidity and increasing costs in these markets as well as affecting the structure of the markets in other ways. In addition, these legislative and regulatory changes are likely to increase the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Without limitation, these changes require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers are required to be registered and are subject to various regulatory requirements, including capital and margin requirements. The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. In addition, transaction costs incurred by market participants are likely to be higher than in the past, reflecting the costs of compliance with the new regulations. These consequences could adversely affect the prices of commodities, which could in turn adversely affect the return on or value of Preference Shares, and therefore of the relevant Securities, in respect of which such commodities are or are part of the Preference Share Underlying. The adoption of any changes in law, which may include (but not be limited to) position limit regulations, may result in the occurrence of a "Change in Law" which is an Additional Disruption Event in respect of the Securities.

In addition, other regulatory bodies have proposed, or may propose in the future, legislation similar to that proposed by the Dodd-Frank Act or other legislation containing other restrictions that could adversely impact the liquidity of and increase costs of participating in the commodities markets. For example, in June 2014 the European Union published a new Markets in Financial Instruments Regulation and an amended Markets in Financial Instruments Directive (together, " **MiFID II** ") which provides for the European Securities and Markets Authority to set position limits on the size of positions in commodity derivatives which a person may hold over a specified period of time. Given both Level 2 and national implementing measures will potentially be required for position limits to become effective, the scope of the final rules remains unclear. By way of further example, the European Market Infrastructure Regulation (Regulation (EU) No 648/2012) (" **EMIR** ") will require mandatory clearing of certain OTC derivative contracts, reporting of derivatives and risk mitigation techniques (including margin requirements) for uncleared OTC derivative contracts. EMIR will likely impact a number of market participants and is expected to increase the cost of transacting derivatives. If these regulations are adopted or other similar regulations are adopted in the future, they could have an adverse effect on the prices of commodities or levels of commodity indices, which could in turn have an adverse effect on the performance or value of the Preference Shares, and therefore of the relevant Securities, in respect of which such commodities are or are part of the relevant Preference Share Underlying.

- (v) *Risks associated with foreign exchange rates as the relevant Preference Share Underlying*
 - (A) *Factors affecting the performance of the relevant foreign exchange rate may adversely affect the value of the Securities*

The performance of foreign exchange rates, currency units or units of account are dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts,

international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency. Any such measures could have a negative impact on the value of the Preference Shares, and therefore of the Securities.

(B) *Currency exchange risks are heightened in the current climate of financial uncertainty*

Currency exchange risks can be expected to heighten in periods of financial turmoil. In periods of financial turmoil, capital can move quickly out of regions that are perceived to be more vulnerable to the effects of the crisis than others with sudden and severely adverse consequences to the currencies of those regions. In addition, governments around the world have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. It is not possible to predict the effect of any future legal or regulatory action relating to exchange rates. Further interventions, other government actions or suspensions of actions, as well as other changes in government economic policy or other financial or economic events affecting the currency markets - including the replacement of entire currencies with new currencies - may cause currency exchange rates to fluctuate sharply in the future, which could have a negative impact on the value of the Preference Shares, and therefore of the Securities.

(vi) *Risks associated with exchange traded funds as the relevant Preference Share Underlying*

(A) *Where the relevant Preference Share Underlying is or includes an exchange traded fund, there is a risk that such exchange traded fund will not accurately track its underlying share or index*

Where the relevant Preference Share Underlying in respect of certain Securities is or includes an exchange traded fund ("ETF") and the investment objective of such ETF is to track the performance of a share or an index, the investors of such Securities are indirectly exposed to the performance of such ETF rather than the underlying share or index such ETF tracks. For certain reasons, including to comply with certain tax and regulatory constraints, an ETF may not be able to track or replicate the constituent securities of the underlying share or index, which could give rise to a difference between the performance of the underlying share or index and such ETF. Accordingly, investors who purchase Securities in respect of which the relevant Preference Share Underlying is or includes an ETF may receive a lower return than if such investors had invested in the share or the index underlying such ETF directly.

(B) *Action by fund adviser, fund administrator or sponsor of an ETF may adversely affect the Securities*

The fund adviser, fund administrator or sponsor of an ETF will have no involvement in the offer and sale of Securities in respect of which the Preference Share Underlying is or includes such ETF and will have no obligation to any investor in such Securities. The fund adviser, fund administrator or sponsor of an ETF may take any actions in respect of such ETF without regard to the interests of the Securityholders, and any of these actions could adversely affect the value of the Preference Shares, and therefore of the Securities.

(vii) *Risks associated with inflation indices as the relevant Preference Share Underlying*

The level of an inflation index may lag or otherwise not track the actual level of inflation in the relevant jurisdiction. Inflation indices may not correlate with other indices and may not correlate perfectly with the rate of inflation experienced by investors in the Securities in such jurisdiction. The value of the Securities in respect of which the relevant Preference Share Underlying is or includes an inflation index may be based on a calculation made by reference to such inflation index for a month which is several months prior to the date of payment on the Securities and therefore could be substantially different from the level of inflation at the time of the payment on the Securities.

(viii) *Risks associated with Proprietary Indices as the relevant Preference Share Underlying*

Where a Preference Share Underlying is an index composed or sponsored by the Issuer, one of its affiliates or a third party (the "**Index Creator**") (a "**Proprietary Index**"), Securityholders should be aware of the following risks associated with a Proprietary Index:

- (A) The rules of the index may be amended by the Index Creator. No assurance can be given that any such amendment would not be prejudicial to Securityholders. The Index Creator has no obligation to take into account the interests of Securityholders when determining, composing or calculating such Proprietary Index and the Index Creator can at any time, and in its sole discretion, modify or change the method of calculating such Proprietary Index or cease its calculation, publication or dissemination. Accordingly, actions and omissions of the Index Creator may affect the value of such Proprietary Index and, consequently, the value of the relevant Preference Shares and in turn the Securities linked to the relevant Preference Shares. The Index Creator is under no obligation to continue the calculation, publication and dissemination of a Proprietary Index.
- (B) The value of a Proprietary Index is published subject to the provisions in the rules of such Proprietary Index. None of the Issuer, the Index Creator or the relevant publisher is obliged to publish any information regarding such Proprietary Index other than as stipulated in the rules of such Proprietary Index.
- (C) A Proprietary Index may be calculated so as to include certain deductions or adjustments that synthetically reflect certain factors which may include (a) the transaction and servicing costs that a hypothetical investor would incur if such hypothetical investor were to enter into and maintain a series of direct investment positions to provide the same exposure to the constituents of such Proprietary Index, or (b) a notional fee representing the running and maintenance costs of such Proprietary Index. Such deductions will act as a drag on the performance of a Proprietary Index such that the level of such Proprietary Index would be lower than it would otherwise be, and this may result in an adverse effect on the value of the relevant Preference Shares and the Securities linked to such Preference Shares.

(ix) *Risks associated with Securities linked to Preference Shares which are in turn linked to "benchmarks"*

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted.

Key international proposals for reform of "benchmarks" include (i) IOSCO's *Principles for Oil Price Reporting Agencies* (October 2012) and *Principles for Financial Market Benchmarks* (July 2013), (ii) ESMA-EBA's *Principles for the benchmark-setting process* (June 2013) and (iii) the European Commission's *proposed regulation on indices used as "benchmarks" in certain financial*

instruments, financial contracts and investment funds (September 2013, revised October 2014) (the "**Proposed Benchmark Regulation**").

The Proposed Benchmark Regulation, if passed in its current form, would apply to "contributors", "administrators" and "users" of "benchmarks" in the EU, and would, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of "benchmarks" of unauthorised administrators. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where referenced in listed financial instruments, financial contracts and investment funds.

It is presently unclear whether the Proposed Benchmark Regulation will be passed in its current form (including its broad scope) and, if so, when it would be effective. However, if so enacted, it could have a material impact on any listed Securities linked to Preference Shares for which the Preference Share Underlying is or includes a "benchmark" index, including in any of the following circumstances:

- (A) an index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which does not have equivalent regulation. In such event, depending on the particular "benchmark" and the applicable terms and conditions of the Securities, the Securities could be de-listed, adjusted, terminated or otherwise impacted; and
- (B) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Proposed Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms and conditions of the Preference Shares including determination by the Preference Share Calculation Agent of the rate or level in its discretion.

More broadly, any of the international, national or other proposals for reform or general increased regulatory scrutiny of "benchmarks" could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" may result in an adjustment to the terms and conditions of the Securities or other consequences, depending on the specific provisions of the relevant Preference Share Terms and Conditions applicable to such Preference Share Underlying.

In addition to the international proposals for reform of "benchmarks" described above, there are numerous other proposals, initiatives and investigations which may impact "benchmarks". For example, there are ongoing global investigations into the setting of foreign exchange rate "benchmarks", which may result in further regulation around the setting of foreign exchange rates. Further, in June 2014 the UK HM Treasury announced a review in relation to the way in which way wholesale financial markets operate. As part of this review new legislation may be introduced deeming foreign exchange, fixed income and certain commodity markets to be "regulated benchmarks" in the UK.

Any of the above changes or any other consequential changes to LIBOR, EURIBOR or any "benchmark", whether as a result of the implementation of the Proposed Benchmark Regulation or of other international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to Preference

Shares for which the Preference Share Underlying gives exposure to or includes a "benchmark".

(c) Adjustments or early redemptions

In certain circumstances (such as an illegality, a hedging disruption, any other extraordinary event or an additional disruption event in respect of the Securities, or an event of default, or the Issuer receives notice from the Preference Share Issuer that the Preference Shares will be redeemed early following the occurrence of certain events in relation to the Preference Shares or the Preference Share Issuer (such as an illegality, a change in law that results in the Preference Share Issuer being subject to additional regulation or an external event affecting an underlying asset to which the Preference Shares are linked)) the Issuer may redeem the Securities early in accordance with the terms and conditions applicable to Preference Share-Linked Securities, as determined by it without the consent of the Securityholders. In such circumstances, the Unscheduled Termination Amount may be less than the Issue Price of the Securities and could be as low as zero.

If certain events occur in relation to the relevant Preference Share Underlying, the Preference Share Issuer may make adjustments to certain of the terms of the Preference Shares or, if it determines that it would not achieve a commercially reasonable result, it may redeem the Preference Shares at their fair market value less any costs associated with the early redemption of the Preference Shares including, if specified to be applicable in the terms and conditions of the Preference Shares, the costs of unwinding any hedging arrangements relating to the Preference Shares or the Preference Share-Linked Securities. Preference Share-Linked Securities will be subject to early redemption if a Preference Share Early Redemption Event occurs. Upon the occurrence of a Preference Share Early Redemption Event, the Issuer will redeem the Securities at the Unscheduled Termination Amount. The Unscheduled Termination Amount may be less (and, in certain circumstances, significantly less) than investors' initial investment in the relevant Securities.

Following early redemption of Securities, the holders of such Securities may not be able to reinvest the redemption proceeds on terms as favourable as those of the Securities being redeemed. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.

Please refer to the section headed "Overview of the Potential for Discretionary Determinations" for more information.

(d) Past performance of a Preference Share Underlying is not indicative of future performance

Any information about the past performance of a Preference Share Underlying at the time of the issuance of the Securities should not be regarded as indicative of the range of, or trends in, fluctuations in such Preference Share Underlying that may occur in the future. The level, price, rate or other applicable value of a Preference Share Underlying (and of components comprising such Preference Share Underlying) may go down as well as up throughout the term of the Preference Shares and Securities. Such fluctuations may affect the value of the Preference Shares and Securities. There can be no assurance as to the future performance or movement of any Preference Share Underlying. Accordingly, before investing in the Securities, investors should carefully consider whether any investment giving exposure to the relevant Preference Share Underlying is suitable for them.

(e) No right of ownership in the Preference Shares or the relevant Preference Share Underlying(s)

Potential investors in the Securities should be aware that neither the relevant Preference Shares nor the relevant Preference Share Underlying will be held by the Issuer for the benefit of the Securityholders of such Securities and, as such, Securityholders will have no rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Preference Shares linked to such Securities or the relevant Preference Share Underlying(s).

(f) Currency Risk

Investors will be exposed to currency risks affecting the performance of the relevant Preference Share Underlying(s). Investors will also be exposed to currency risks if the Securities are denominated in currencies other than the currency of the country in which the investor is

resident. The value of the Securities may therefore increase or decrease as a result of fluctuations in those currencies.

(g) Emerging markets

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

(i) Event risk

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

(ii) Political risk

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

(iii) Economic risk

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

(iv) Credit risk

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

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

(v) *Currency risk*

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

(vi) *Market risk*

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

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

(vii) *Regulatory/legal risk*

In emerging market countries there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many countries have mature legal systems comparable to those of more developed countries, while others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or

nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign Securityholder would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. A Securityholder may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

(viii) *Trade Settlement, processing and clearing*

Many emerging markets have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safekeeping of securities. Custodians can include domestic and foreign custodian banks and depositaries, among others. The registration, recordkeeping and transfer of securities may be carried out manually, which may cause delays in the recording of ownership. There are times when settlement dates are extended, and during the interim the market price of any Preference Share Underlying, any Preference Shares, and in turn the value of the Securities, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Securityholders may be subject to operational risks in the event that Securityholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Securityholders may be subject by virtue of their activities with respect to emerging market securities.

5. **Risks associated with conflicts of interest between the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and holders of the securities.**

(a) **Business relationships**

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

(b) **Hedging and dealing activities**

In the ordinary course of its business the Issuer and/or any of its affiliates may effect transactions for its own account or for the account of its customers and may enter into one or more hedging transactions with respect to the Securities or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in or in respect of the Preference Share Underlying(s) or related derivatives which may affect the market price, liquidity or value of the Securities and which could be adverse to the interest of the relevant Securityholders.

For example, the Issuer (itself or through an affiliate) may hedge the Issuer's obligations under the Securities by purchasing futures and/or other instruments linked to the relevant Preference Share Underlying(s) or (if an index) the stocks or other components underlying the relevant Preference Share Underlying. The Issuer (or affiliate) may adjust its hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the relevant Preference Share Underlying(s) or (if applicable) the components, at any time and from time to time, and may unwind the hedge by selling any of the foregoing on or before the final redemption date for the Securities. The Issuer (or affiliate) may also enter into, adjust and unwind hedging transactions relating to other securities whose returns are linked to changes in the level, price, rate or other applicable value of the relevant Preference Share Underlying(s) or (if applicable) the components. Any of these hedging activities may adversely affect the level, price, rate or other applicable value of the relevant Preference Share Underlying(s) – directly or (if applicable) indirectly by affecting the level, price, rate or

other applicable value of underlying components – and therefore the value of the Preference Shares, and of the Securities. It is possible that the Issuer (or affiliate) could receive substantial returns with respect to such hedging activities while the value of the Securities may decline.

Moreover, the Issuer (or affiliate) may also engage in trading in one or more of the relevant Preference Share Underlying(s) or (if applicable) the components or instruments whose returns are linked to the relevant Preference Share Underlying(s) or (if applicable) the components, for its proprietary accounts, for other accounts under its management or to facilitate transactions, including block transactions, on behalf of customers. Any of these activities of the Issuer (or affiliate) could adversely affect the level, price, rate or other applicable value of the relevant Preference Share Underlying(s) – directly or (if applicable) indirectly by affecting the level, price, rate or other applicable value of the components – and, therefore, the value of the Preference Shares, and of the Securities. The Issuer (or affiliate) may issue or underwrite other securities or financial or derivative instruments with returns linked to changes in the level, price, rate or other applicable value of the Preference Share Underlying(s) or (if applicable) one or more of the components, as applicable. By introducing competing products into the marketplace in this manner, the Issuer (or affiliate) could adversely affect the value of the Preference Shares, and of the Securities.

(c) Reliance on Credit Suisse International

Credit Suisse International acts as Calculation Agent in relation to the Securities and is expected to act as the Preference Share Calculation Agent. If there is any default by Credit Suisse International in its obligations in such capacities, the Securities are likely to be adversely affected. In particular, there may be a delay in calculations and determinations in respect of the Securities being made.

(d) Conflicts of interest

The Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer and their affiliates (and any of their employees) may from time to time possess, or have access to, information in relation to the Securities, the Preference Shares and/or the Preference Share Underlying(s) and any derivative instruments referencing them. None of the Issuer, the Calculation Agent, the Preference Share Calculation Agent, the Dealer or any of their affiliates will be obliged (and may be subject to legal prohibition) to disclose to an investor in the Securities any such information, even where such information may be material to the decision by an investor as to whether or not to purchase the Securities.

The Issuer, the Calculation Agent, the Preference Share Calculation Agent or the Dealer and/or any of their respective affiliates may invest and/or deal, for their own respective accounts or for accounts for which they have investment discretion, in the Preference Shares and/or the Preference Share Underlying(s). Such investments may have the same or different terms as the Securities.

Credit Suisse International in its capacity as the Calculation Agent in respect of the Securities and in its capacity as Preference Share Calculation Agent is a member of a group of companies collectively referred to as the Credit Suisse Group. As a result, potential conflicts of interest may arise in acting in its respective capacities. Subject to any relevant regulatory obligations, neither the Calculation Agent nor the Preference Share Calculation Agent owes any duty or responsibility to any holder of Preference Share-Linked Securities to avoid any conflict or to act in the interests of any holder of Preference Share-Linked Securities. The Preference Share Issuer may also rely on members of the Credit Suisse Group (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant Credit Suisse Group entities or other service providers fail to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Preference Share-Linked Securities.

In addition to providing calculation agency services to any Preference Share Issuer, Credit Suisse International or any of its affiliates may perform further or alternative roles relating to a Preference Share Issuer and any Class of Preference Shares including, but not limited to, for example, being involved in arrangements relating to any Preference Share Underlying (for example as a calculation agent). Further, Credit Suisse International or any of its affiliates may contract with a Preference Share Issuer and/or

enter into transactions, including hedging transactions, which relate to a Preference Share Issuer, the Preference Shares or any Preference Share Underlying and as a result Credit Suisse International may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

(e) **Calculations and determinations**

In making calculations and determinations with regard to the Securities and the Preference Shares, there may be a difference of interest between the investors and the Calculation Agent or the Preference Share Calculation Agent. Save where otherwise provided in the terms and conditions of the Securities or the Preference Shares (as applicable), the Issuer and the Calculation Agent or the Preference Share Calculation Agent are required to act in good faith and in a commercially reasonable manner but do not have any obligations of agency or trust for any investors and have no fiduciary obligations towards them. In particular, the Calculation Agent and the Preference Share Calculation Agent and their affiliated entities may have interests in other capacities (such as other business relationships and activities). Prospective investors should be aware that any determination made by the Calculation Agent or the Preference Share Calculation Agent may have a negative impact on the value of the Securities.

Please refer to the section headed "Overview of the Potential for Discretionary Determinations" for more information.

(f) **Credit and fraud risk of Preference Share Issuer**

Preference Share-Linked Securities are linked to the performance of the relevant Preference Shares issued by the relevant Preference Share Issuer. Investors bear the Preference Share Issuer risk. The value of the Preference Share-Linked Securities is dependent on the value of the Preference Share, which is dependent on the creditworthiness of the Preference Share Issuer, which may vary over the term of the Preference Share-Linked Securities. The Preference Share Issuer is not an operating company. Its sole business activity is the issue of redeemable preference shares. The Preference Share Issuer does not have any trading assets and does not generate any significant net income. As its funds are limited any misappropriation of funds or other fraudulent action by the Preference Share Issuer or person acting on its behalf would have a significant effect on the value of the Preference Shares which would affect the value of the Preference Share-Linked Securities. For more information on the Preference Share Issuer, please see the section of this Base Prospectus headed "Description of the Preference Share Issuer and the Preference Shares".

6. **CREST Depository Interests ("CDIs")**

Investors in CDIs will not be the legal owners of the Securities to which such CDIs relate (such Securities being "**Underlying Securities**"). CDIs are separate legal instruments from the Underlying Securities and represent indirect interests in the interests of the CREST Nominee in such Underlying Securities. CDIs will be issued by the CREST Depository to investors and will be governed by English law.

The Underlying Securities (as distinct from the CDIs representing indirect interests in such Underlying Securities) will be held in an account with a custodian. The custodian will hold the Underlying Securities through the Relevant Clearing System. Rights in the Underlying Securities will be held through custodial and depository links through the Relevant Clearing System. The legal title to the Underlying Securities or to interests in the Underlying Securities will depend on the rules of the Relevant Clearing System in or through which the Underlying Securities are held.

Rights in respect of the Underlying Securities cannot be enforced by holders of CDIs except indirectly through the CREST Depository and CREST Nominee who in turn can enforce rights indirectly through the intermediary depositories and custodians described above. The enforcement of rights in respect of the Underlying Securities will therefore be subject to the local law of the relevant intermediary.

These arrangements could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Securities in the event of any insolvency or liquidation of the relevant intermediary, in particular where the Underlying Securities held in

clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

If a matter arises that requires a vote of Securityholders, Credit Suisse AG may make arrangements to permit the holders of CDIs to instruct the CREST Depository to exercise the voting rights of the CREST Nominee in respect of the Underlying Securities. However, there is no guarantee that it will be possible to put such voting arrangements in place for holders of CDIs.

Holders of CDIs will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST International Manual (November 2014)(which forms part of the CREST Manual issued by Euroclear UK & Ireland Limited and as amended, modified, varied or supplemented from time to time (the "**CREST Manual**")) and the CREST Rules (contained in the CREST Manual) applicable to the CREST International Settlement Links Service. Holders of CDIs must comply in full with all obligations imposed on them by such provisions.

Investors in CDIs should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by holders of CDIs and limitations on the liability of the CREST Depository as issuer of the CDIs. Holders of CDIs may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them.

Investors in CDIs should note that holders of CDIs may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Underlying Securities through the CREST International Settlement Links Service.

Investors in CDIs should note that none of the Issuer, any Dealer or any Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders acting in connection with CDIs or for the respective obligations of such intermediaries, participants or accountholders under the rules and procedures governing their operations.

7. Taxation

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

Potential investors in the Securities should conduct such independent investigation and analysis regarding the tax treatment of the Securities as they deem appropriate to evaluate the merits and risks of an investment in the Securities. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the Securities.

The level and basis of taxation on the Securities and on the Securityholders and any reliefs from such taxation depend on the Securityholder's individual circumstances and could change at any time. The tax and regulatory characterisation of the Securities may change over the life of the Securities. This could have adverse consequences for Securityholders. Potential Securityholders will therefore need to consult their own tax advisers to determine the specific tax consequences of the purchase, ownership, transfer and redemption or enforcement of the Securities.

Potential investors in CDIs should take note of the information set forth in the section headed "Taxation" of this Base Prospectus.

Potential investors in CDIs should conduct such independent investigation and analysis regarding the tax treatment of the CDIs as they deem appropriate to evaluate the merits and risks of an investment in the CDIs. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments in respect of the CDIs.

The level and basis of taxation on the CDIs and on the holders of CDIs and any relief from such taxation depend on the individual circumstances of holders of CDIs and could change at any

time. This could have adverse consequences for holders of CDIs. Potential holders of CDIs will therefore need to consult their own tax advisers to determine the specific tax consequences of the purchase, ownership or transfer of CDIs and the redemption or enforcement of Underlying Securities.

8. **The European Commission's Proposal for a Financial Transactions Tax**

The European Commission has published a proposal for a Directive for a common financial transaction tax ("**FTT**") in certain participating member states ("**FTT Member States**").

The proposed FTT has very broad scope and could apply to certain dealings in financial instruments (including secondary market transactions).

The FTT could apply to persons both within and outside of the participating member states. Generally, it would apply to certain dealings in the financial instruments where at least one party is a financial institution, and either (i) at least one party is established or deemed to be established in a participating member state or (ii) the financial instruments are issued in a participating member state.

Ministers of the FTT Member States (other than Slovenia) announced in a statement to the Economic and Financial Affairs Council on 6 May 2014 that there would be a progressive implementation of the FTT. That progressive implementation would first focus on the taxation of shares and some derivatives, with the first step being implemented on or before 1 January 2016. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to any implementation. The actual implementation date would depend on the future approval of the European Council and consultation of other EU institutions, and the subsequent transposition into local law. Additional EU Member States may decide to participate. If the proposed directive (or similar tax) is adopted, transactions in the Securities would, in certain circumstances, be subject to higher transaction costs, and the liquidity of the market for the Securities may diminish.

Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT.

DOCUMENTS INCORPORATED BY REFERENCE

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

1. Documents incorporated by reference

The following documents are incorporated by reference in respect of the Issuer and have been filed with the CSSF:

- (a) the Form 20-F of CS and the Group filed with the United States Securities and Exchange Commission (the "**SEC**") on 22 March 2013 (the "**Form 20-F Dated 22 March 2013**"), which contains the 2012 Annual Report of the Group within which there are the audited financial statements of CS for the year ended 31 December 2012 and a report of CS' auditors;
- (b) the Form 20-F of CS and the Group filed with the SEC on 3 April 2014 (the "**Form 20-F Dated 3 April 2014**"), which contains the 2013 Annual Report of the Group within which there are the audited financial statements of CS for the year ended 31 December 2013 and a report of CS' auditors;
- (c) the Form 6-K/A of CS filed with the SEC on 3 April 2014 (the "**Form 6-K/A Dated 3 April 2014**"), which contains the restated 2013 Fourth Quarter Financial Report of the Group within which there is unaudited information for the Group for the three and twelve months ended 31 December 2013;
- (d) the Form 6-K of CS and the Group filed with the SEC on 3 April 2014 (the "**Form 6-K Dated 3 April 2014**"), which contains a media release containing proposals for the Annual General Meeting of the Credit Suisse Group on 9 May 2014;
- (e) the Form 6-K of CS filed with the SEC on 16 April 2014 (the "**Form 6-K Dated 16 April 2014**"), which contains the 2014 First Quarter Earnings Release of the Group within which there is unaudited information for the Group for the three months ended 31 March 2014;
- (f) the Form 6-K of CS filed with the SEC on 2 May 2014 (the "**Form 6-K Dated 2 May 2014**"), which contains the 2014 First Quarter Financial Report of the Group within which there is unaudited information for the Group for the three months ended 31 March 2014;
- (g) the Form 6-K of CS and the Group filed with the SEC on 9 May 2014 (the "**Form 6-K Dated 9 May 2014**"), which contains a media release containing the results of the annual general meeting of the Group on 9 May 2014;
- (h) the Form 6-K of CS and the Group dated 19 May 2014 and filed with the SEC on 20 May 2014 (the "**Form 6-K Dated 19 May 2014**"), which contains a media release announcing a comprehensive and final settlement regarding all outstanding U.S. cross-border matters including agreements with the U.S. Department of Justice, the New York State Department of Financial Services, the Board of Governors of the U.S. Federal Reserve System and, as previously announced, the SEC;
- (i) the Form 6-K of CS and the Group filed with the SEC on 22 July 2014 (the "**CS and Group Form 6-K Dated 22 July 2014**"), which includes information regarding recent appointments to the Board of Directors of CS;
- (j) the Form 6-K of CS filed with the SEC on 22 July 2014 (the "**CS Form 6-K Dated 22 July 2014**"), which includes the Earnings Release 2Q 2014 exhibited thereto, except that the information on page 3 under "Credit Suisse Group reports 2Q14 and 6M14 results" is not incorporated by reference;
- (k) the Form 6-K of the Group filed with the SEC on 31 July 2014 (the "**Group Form 6-K Dated 31 July 2014**"), which includes a discussion of the Group's core results for the six months ended 30 June 2014 compared to the six months ended 30 June 2013 and the Financial Report 2Q 2014 exhibited thereto;

- (l) the Form 6-K of CS filed with the SEC on 31 July 2014 (the "**CS Form 6-K Dated 31 July 2014**"), which contains: (i) an "Introduction"; (ii) "Forward-looking Statements"; (iii) "Key information", (iv) "Operating and financial review and prospects", and (v) Exhibits and includes the following documents exhibited thereto: (i) "Ratio of earnings to fixed charges"; (ii) "Letter regarding unaudited financial information from the Independent Registered Public Accounting Firm"; (iii) the 2014 Second Quarter Financial Report of the Group within which there is unaudited information for the Group for the three and six months ended 30 June 2014, except that the information on pages 1–2 under "Dear shareholders" is not incorporated by reference and (iv) the 2014 Bank Six Months Financial Statements within which there are unaudited financial statements for the six months ended 30 June 2014;
- (m) the Form 6-K of CS and the Group filed with the SEC on 17 October 2014 (the "**Form 6-K Dated 17 October 2014**"), which contains a media release announcing changes to the Executive Board of CS and the Group;
- (n) the Form 6-K of CS filed with the SEC on 23 October 2014 (the "**Form 6-K Dated 23 October 2014**"), which contains the 2014 Third Quarter Earnings Release, within which there is unaudited information for the Group for the three months and nine months ended 30 September 2014, except that the information on page 3 under the paragraph headed "Credit Suisse Group reports 3Q14 and 9M14 results" is not incorporated by reference;
- (o) the Form 6-K of CS filed with the SEC on 31 October 2014 (the "**Form 6-K Dated 31 October 2014**") which contains the 2014 Third Quarter Financial Report of the Group within which there is unaudited information for the Group for the three and nine months ended 30 September 2014, except that the information on pages 1 – 2 under "Dear Shareholders" is not incorporated by reference;
- (p) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 22 August 2013 under the Credit Suisse AG Structured Products Programme for the Issuance of Notes, Certificates and Warrants (the "**2013 Base Prospectus**");
- (q) the supplement dated 9 September 2013 to the 2013 Base Prospectus ("**9 September 2013 Supplement**"); and
- (r) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 25 August 2014 under the Credit Suisse AG Structured Products Programme for the Issuance of Notes, Certificates and Warrants (the "**25 August 2014 Base Prospectus**").

2. Documents incorporated by reference cross-reference list

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*Save as provided in paragraph 5(a) (*Fungible Issuances*) under section headed "General Information".

^Save as provided in paragraph 5(b) (*Fungible Issuances*) under the section headed "General Information".

Any information not listed above but included in the documents incorporated by reference herein is given for information purposes only and is not required by the relevant annexes of the Commission Regulation 809/2004/EC.

In respect of the Form 20-F Dated 3 April 2014, the Form 20-F Dated 22 March 2013, the 2013 Base Prospectus and the 25 August 2014 Base Prospectus only, any information not listed above in respect of the Issuer is not incorporated by reference in respect of such Issuer and is either deemed not relevant for the investor or are otherwise covered elsewhere in this Base Prospectus.

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

- (a) The registration document of CS dated 16 May 2014 (the "**CS Registration Document**") approved by the CSSF (as supplemented by the supplements dated 22 May 2014, 6 August 2014 and 5 November 2014, and which may be further supplemented and/or replaced from time to time) is incorporated by reference in respect of CS. The latest CS Registration Document and any supplements thereto are available at <https://www.credit-suisse.com/ch/en/about-us/investor-relations/information/financial-reports.html>.
- (b) The SEC filings of the Group and CS, which may contain their annual and current reports, including interim financial information, or other relevant information, as filed with the SEC from time to time. The SEC filings of the Group and CS are incorporated by reference in respect of CS and are available on the SEC's website at www.sec.gov and on the Group's website at <https://www.credit-suisse.com/ch/en/about-us/investor-relations/information/financial-reports.html>.
- (c) Any relevant information relating to CS as may be published on or after the date of this Base Prospectus on the website of the Financial Conduct Authority at www.fca.org.uk/news.

Copies of this Base Prospectus will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, copies of the documents incorporated by reference in this Base Prospectus (other than documents incorporated by reference in respect of Exempt Securities) will be available on the Luxembourg Stock Exchange's website (www.bourse.lu) and copies of such documents will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal

holidays) at the offices of the Paying Agents and at the registered office of the Issuer or the relevant Branch, if applicable.

Other than documents which are incorporated by reference in this section (*Documents Incorporated By Reference*), where information is provided via a website in this Base Prospectus, such information does not form part of this Base Prospectus.

GENERAL DESCRIPTION OF THE PROGRAMME

Issuer

The Issuer, Credit Suisse AG, may from time to time under the Programme, subject to compliance with all relevant laws, regulations and directives, issue Preference Share-Linked Securities.

Types of Securities

The Securities may be securities which:

- will be in the form of notes;
- may have any maturity; and
- upon maturity, will pay an amount based on the performance of a Preference Share which in turn is linked to the performance of one or more underlying assets.

In addition, the Securities may provide for early redemption upon the occurrence of a specified event or at the option of the Issuer.

Issuance of Securities

Securities will be issued in one or more series (each a "**Series**") and each Series may be issued in tranches on the same or different issue dates. The Securities of each Series are intended to be interchangeable with all other Securities of that Series. Each Series will be allocated a unique Series number and an identification code.

The general terms and conditions of the Securities (the "**General Note Conditions**") are set out at pages 71 to 85 of this Base Prospectus and the economic or "payout" terms of the Securities (the "**Product Conditions**") are set out at pages 86 to 89 of this Base Prospectus, in each case as specified in and completed by the provisions of the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement), which contain the issue specific details relating to each particular issuance of Securities.

Exempt Securities

The requirement to publish a prospectus under the Prospectus Directive only applies to Securities which are to be admitted to trading on a regulated market in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to "Exempt Securities" are to Securities for which no prospectus is required to be published under the Prospectus Directive. The CSSF (as defined below) has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Securities.

Governing law

The Securities will be governed by English law.

Status and Ranking

The Securities are unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and with all other unsubordinated and unsecured obligations of the Issuer from time to time outstanding.

Redemption

The Redemption Amount payable at the maturity of each Series of Securities is dependent on the change in value of the relevant Preference Shares to which the Securities of the relevant Series are exposed during their investment term. The value of the Preference Shares may fluctuate up or down depending on the performance of the relevant Preference Share Underlying(s) as set out in the terms and conditions of the relevant Preference Shares. The Preference Share Underlying(s) may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies which

may change over time as a result of performance, the exercise of investment management discretion or other factors.

Interest

If interest is payable in respect of a Series of Securities this will be specified in the relevant Final Terms (or in the case of Exempt Securities, the relevant Pricing Supplement).

Form of Securities

Securities are issued in bearer form or in registered form. Securities in bearer form are represented by a bearer global security. No definitive notes will be issued for Securities in bearer form. Securities in registered form are represented by registered certificates and, save as provided in General Note Condition 2(b), each registered certificate shall represent the entire holding of Registered Notes by the same holder. Where Securities in registered form are held by or on behalf of one or more clearing systems, a global certificate will be issued in respect of them.

The Securities may be cleared through Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme, CREST or any other clearing system as specified in the Conditions and/or the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement).

Programme Agents

- The Bank of New York Mellon, acting through its London Branch, (or as otherwise specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement)) will act as Fiscal Agent and Paying Agent with respect to the Securities; and
- The Bank of New York Mellon (Luxembourg) S.A. (or as otherwise specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement)) will act as Transfer Agent and Registrar with respect to the Securities.

Approval of the Base Prospectus by the CSSF

Application has been made to the Luxembourg *Commission de Surveillance du Secteur Financier* (the "CSSF") in its capacity as the Luxembourg competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities as amended on 3 July 2012 (the "**Luxembourg Prospectus Law**"). This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive for the purpose of giving information with regard to Securities (other than Exempt Securities) to be issued by CS. Pursuant to article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operation or the quality or solvency of the Issuer.

Listing and Admission to Trading

Securities issued by the Issuer may (a) be listed and admitted to trading on a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments, (b) listed on a market not regulated for such purpose, or (c) not listed on any market, in each case as shall be specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement). In relation to any Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, application has been made to the Luxembourg Stock Exchange for such Securities to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments) for the period of 12 months from the date of this Base Prospectus.

Passporting

In accordance with Article 18 of the Prospectus Directive, the CSSF has been requested to provide the Financial Conduct Authority (the "**FCA**") as the competent authority of the United Kingdom and the Central Bank of Ireland (the "**CBI**") as the competent authority of Ireland with a certificate of approval attesting that the Base Prospectus of CS has been drawn up in accordance with the Prospectus Directive.

Categories of potential investors to which the Securities are offered

The Securities will be offered to both retail and non-retail investors.

USE OF PROCEEDS

Unless otherwise specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement), the net proceeds from each issue of Securities will be used to hedge the obligations of the Issuer under the Securities and for general corporate purposes. If, in respect of any particular issue, there is a particular identified use, this will be stated in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement). The net proceeds will be utilised outside Switzerland.

OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS

OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS BY THE ISSUER AND THE CALCULATION AGENT

Under the terms and conditions of the Preference Share-Linked Securities, following the occurrence of certain events outside of its control, the Issuer may exercise its discretion to take one or more actions available to it in order to deal with the impact of such events on the Preference Share-Linked Securities or its hedging arrangements (or both). **Any such exercise of a discretionary determination by the Issuer could have a material adverse impact on the value of the Preference Share-Linked Securities and/or could result in their early redemption.**

Below is an overview of the types of events that could give rise to a discretionary determination by the Issuer, the action available to the Issuer to deal with the impact of such events and the effect of such event and/or action taken by the Issuer. Investors should also read the Terms and Conditions of the Preference Share-Linked Securities which sets out in full the terms summarised below.

Any determination to be made by the Issuer may be delegated to the Calculation Agent.

What are the types of events that could give rise to a discretionary determination by the Issuer?	<p>Broadly, there are three types of events that could give rise to a discretionary determination by the Issuer:</p> <ul style="list-style-type: none"> (a) if the Issuer's obligations under the Preference Share-Linked Securities or its related hedging arrangements become or will become illegal; (b) external events which affect the Preference Shares; and (c) external events which affect the Issuer's hedging arrangements.
What are the types of external events which affect the Preference Shares?	<ul style="list-style-type: none"> (a) Preference Share Early Redemption Event: an event in respect of which the Issuer receives an early redemption notice from the Preference Share Issuer. Please see also "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below. (b) Extraordinary Events: events which materially impact on the business of the Preference Share Issuer, such as a merger, a takeover or tender offer, the nationalisation of the Preference Shares or assets of the Preference Share Issuer or the Preference Share Issuer becomes insolvent. (c) Illegality affecting the Preference Share Issuer: see the section headed "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below. (d) Additional regulation or tax affecting the Preference Share Issuer: see the section headed "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below. (e) External events affecting the Preference Share Underlying: see the section headed "Overview of the Potential for Discretionary Determinations by the Preference Share Issuer and the Preference Share Calculation Agent" below.
What are the types of external events which affect the Issuer's hedging arrangements?	<p>There are many different external events that may affect the Issuer's hedging arrangements, as summarised below:</p> <ul style="list-style-type: none"> (a) Change in law: as a result of a change in any applicable law, it has become unlawful or illegal to conduct its hedging arrangements or it will incur a materially increased cost in performing its obligations under the Preference Share-Linked Securities; or (b) Hedging Disruption: an event which impacts the ability of the Issuer and/or its affiliates to hedge the risk of the Issuer entering into and performing its obligations under the Preference Share-Linked Securities – for example, if the Issuer is unable to enter into a hedge or to realise the

	<p>proceeds of a hedge.</p> <p>(c) Insolvency Filing: an event which impacts on the transferability of the Preference Shares as a result of insolvency or similar proceedings affecting the Preference Share Issuer.</p>
<p>Why is it necessary for the Issuer to make a discretionary determination following the occurrence of such events?</p>	<p>The Issuer cannot continue to perform its obligations under the Preference Share-Linked Securities or its related hedging arrangements if they become or will become illegal. In that case, the Issuer may need to early redeem the Preference Share-Linked Securities.</p> <p>The investment objective of the Preference Share-Linked Securities is to allow an investor to gain an economic exposure to the Preference Shares. If a Preference Share is materially impacted by an unexpected event – for example, the Preference Share is redeemed early - then it may not be possible to achieve the investment objective of the Preference Share-Linked Securities. In that case, the Issuer will need to early redeem the Preference Share-Linked Securities.</p> <p>In addition, the Issuer may enter into hedging arrangements in order to manage its exposure in relation to its payment obligations under the Preference Share-Linked Securities and to enable it to issue the Preference Share-Linked Securities at the relevant price and on the relevant terms. The Preference Share-Linked Securities are linked to the Preference Shares which will be affected by their exposure to the Preference Share Underlying and so the hedging arrangements of the Issuer may involve holding the Preference Share Underlying(s) directly, entering into derivative contracts with counterparties to receive a corresponding economic exposure to the Preference Share Underlying(s) or to hedge the currency or price risk in relation to the Preference Share Underlying(s) or the Preference Share-Linked Securities.</p> <p>The Issuer may need to early redeem the Preference Share-Linked Securities if an external event occurs subsequent to the issuance of the Preference Share-Linked Securities which negatively impacts the Issuer's hedging arrangements or the costs of maintaining such hedging arrangements. Such external events are unlikely to have been reflected in the original pricing of the Preference Share-Linked Securities.</p>
<p>If such an event occurs, what actions can the Issuer take?</p>	<p>The Issuer may (or in the case of an external event affecting the Preference Shares which results in the early redemption of the Preference Shares, will) early redeem the Preference Share-Linked Securities at the Unscheduled Termination Amount instead of the Redemption Amount and no other amounts shall be payable in respect of the Preference Share-Linked Securities on account of interest or otherwise following such determination by the Issuer.</p>
<p>How is the Unscheduled Termination Amount calculated?</p>	<p>The Unscheduled Termination Amount will be calculated by the Calculation Agent on the same basis as the Redemption Amount except that for this purpose Share Final shall mean the Preference Share Value on the Early Redemption Valuation Date being the date on which the Preference Share-Linked Securities are scheduled to be early redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Preference Share-Linked Securities).</p>
<p>What is the effect of such event and/or action taken by the Issuer?</p>	<p>The early redemption of the Preference Share-Linked Securities may result in a reduced return on the Preference Share-Linked Securities and/or have a material adverse impact on the value of the Preference Share-Linked Securities. In particular, the Unscheduled Termination Amount could be less than an investor's initial investment (and may be reduced to zero).</p> <p>Further, if the Preference Share-Linked Securities are redeemed early prior to the scheduled maturity, an investor may be unable to reinvest the redemption proceeds in another investment at the time that provides an equivalent return.</p>

How will the Issuer exercise its discretion?	In considering whether and how to make such a discretionary determination, the Issuer shall act in good faith and in a commercially reasonable manner. Further, the Issuer will ensure that any such determination is made by it in compliance with its applicable regulatory obligations, including that of achieving fair treatment for Securityholders.
Will the Issuer notify me if such an event occurs and/or if it takes any of the above actions?	Yes, the Issuer will give notice to Securityholders if the Issuer determines to early redeem the Preference Share-Linked Securities.
Where can I find more information?	See risk factor 4 (<i>General risks relating to Preference Share-Linked Securities</i>), and in particular the paragraph headed "Adjustments or early redemptions" under 4(c), for more information.

OVERVIEW OF THE POTENTIAL FOR DISCRETIONARY DETERMINATIONS BY THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARE CALCULATION AGENT

Following the occurrence of certain events outside of its control, the Preference Share Issuer may exercise its discretion to take one or more actions available to it in order to deal with the impact of such events on the Preference Shares or the hedging arrangements of the Preference Share Issuer and/or any hedging counterparty in respect of the relevant Class of Preference Shares or any financial product linked to such Preference Shares. **Any such exercise of a discretionary determination by the Preference Share Issuer could have a material adverse impact on the value of the Preference Shares and/or could result in their early redemption. The Preference Share-Linked Securities are linked to the Preference Shares and if an event occurs which has a material adverse impact on the value of the Preference Shares, the value of the Preference Share-Linked Securities will also be adversely affected.**

Below is an overview of the types of events that could give rise to a discretionary determination by the Preference Share Issuer and the possible actions available to the Preference Share Issuer to deal with the impact of such events. As noted above, the Preference Share-Linked Securities are linked to the Preference Shares and so any such action may also adversely affect the Preference Share-Linked Securities.

What are the types of events that could give rise to a discretionary determination by the Preference Share Issuer?	<p>Broadly, there are four types of events that could give rise to a discretionary determination by the Preference Share Calculation Agent or Preference Share Issuer:</p> <ul style="list-style-type: none"> (a) if the performance of the Preference Share Issuer's obligations under the Preference Shares or its related hedging arrangements become or will become illegal; (b) if a change in law or regulation occurs that results, solely due to the Preference Shares being outstanding, in the Preference Share Issuer being subject to additional regulatory supervision or subject to any additional materially onerous legal requirements, regulations or taxes; (c) external events which affect the Preference Share Underlying(s); and (d) external events which affect the Preference Share Issuer's hedging arrangements or the obligor of any financial product linked to the Preference Shares.
What are the types of external events which affect the Preference Share(s)?	There are many different external events that may affect a Preference Share depending on the type of Preference Share Underlying the Preference Share is linked to, and these will vary depending on the type of Preference Share Underlying. Some types of external events that may be relevant are summarised in the table below:

	Type(s) of Preference Share Underlying	External events which affect such Preference Share Underlying
	Equity, ETF	<p>Potential Adjustment Events: broadly, corporate actions relating to the issuer of the share that is the Preference Share Underlying which have a dilutive or concentrative effect on the theoretical value of such share – for example, a stock split or a distribution payment to holders of the shares.</p> <p>Extraordinary Events: events which materially impact on the business of the issuer of the share that is the Preference Share Underlying, such as a merger, a takeover or tender offer, the nationalisation of such shares or assets, a delisting of the relevant underlying shares on an exchange or the issuer of such share becomes insolvent.</p>
	Equity Index, FX Index, Inflation Index	<p>Successor Index: the index is replaced by another index which is calculated using the same (or substantially similar) formula.</p> <p>Index Adjustment Events: events which materially impact on the calculation of the index – for example, the relevant sponsor cancels the index or fails to calculate the level of the index or materially changes the formula for calculating the index.</p>
	ETF	<p>Reference Index adjustment events: an ETF tracks the performance of a reference index; these are (i) events which impact on the calculation of the ETF – for example, if the ETF no longer tracks the performance of the reference index, and (ii) events which affect the reference index (as described above under "Successor Index" and "Index Adjustment Events").</p>
	FX Index	<p>Change of Sponsor: the sponsor of the index changes to an entity which is not an affiliate of the Preference Share Calculation Agent.</p> <p>Index Calculation Agent Event: the performance by the index sponsor of its duties becomes unlawful, illegal, impossible or commercially impracticable.</p> <p>Index Disruption Event: a disruption event (as specified in the rules of the index) occurs.</p>
What are the types of external events which affect the hedging arrangements of (a) the Preference Share Issuer or (b) any hedging counterparty in respect of any financial product linked to such Preference Shares?	There are many different external events that may affect the Preference Share Issuer's hedging arrangements, and these will vary depending on the type of Preference Share Underlying, as summarised in the table below:	
	Type(s) of Underlying Asset	External events which affect the hedging arrangements of (a) the Preference Share Issuer or (b) any hedging counterparty in respect of any financial product linked to such Preference Shares
	Equity, Equity Index, Commodity, ETF, FX, FX Index	<p>Change in law: as a result of a change in any applicable law, it has become unlawful or illegal to conduct its hedging arrangements or it will incur a materially increased cost in performing its obligations under the Preference Shares.</p> <p>Hedging Disruption: an event which impacts the ability of the Preference Share Issuer and/or its affiliates to hedge the risk of the Preference Share Issuer entering into and performing its obligations under the Preference Shares – for example, if it is unable to enter into a hedge or to</p>

		realise the proceeds of a hedge.
	<i>Equity, Equity Index, ETF</i>	<p>Foreign Ownership Event: as a result of restrictions on ownership of shares by foreign persons in the relevant jurisdiction, the Preference Share Issuer and/or its affiliates is unable to conduct its hedging arrangements.</p> <p>FX Disruption: an event which impacts on the ability of the Preference Share Issuer and/or its affiliates to transfer or convert any relevant amounts in relation to its hedging arrangements.</p>
	<i>Equity, ETF</i>	<p>Loss of Stock Borrow: the Preference Share Issuer and/or its affiliates is not able to borrow shares for the purposes of its hedging arrangements.</p> <p>Increased Cost of Stock Borrow: the Preference Share Issuer and/or its affiliates will incur increased costs to borrow shares for the purposes of its hedging arrangements.</p>
	<i>Equity</i>	Insolvency Filing: an event which impacts on the transferability of the shares that are the Preference Share Underlying as a result of insolvency or similar proceedings affecting the issuer of such shares.
	<i>ETF</i>	<p>Fund Insolvency Event: insolvency or similar proceedings are affecting the ETF.</p> <p>Cross-contamination: a failure to segregate effectively assets between different classes or series of the ETF.</p> <p>Fund Modification: changes are made to the ETF's documents that could affect the value of a share in the ETF or the rights of holders.</p> <p>Regulatory Action: events affecting the conduct of the ETF's business – for example, if the authorisation of the ETF is cancelled or there is a change in the legal, tax, accounting or regulatory treatment of the ETF which adversely affects the value of the shares.</p> <p>Strategy Breach: a breach of the strategy or investment guidelines of the ETF.</p>
	<i>FX Index</i>	Insolvency Disruption Event: any insolvency or similar proceedings affecting the sponsor would lead to a Hedging Disruption and/or an Index Calculation Agent Event (as each described above).
Why is it necessary for the Preference Share Calculation Agent or the Preference Share Issuer to make a discretionary determination following the occurrence of such events?	<p>The Preference Share Issuer cannot continue to perform its obligations under the Preference Shares or its related hedging arrangements if they become or will become illegal. Similarly, if the Preference Share Issuer is subject to additional materially onerous laws, regulations and taxes, then the Preference Share Issuer may need to redeem the Preference Shares early.</p> <p>Where the Preference Shares are linked to one or more Preference Share Underlying(s), the investment objective of the Preference Shares is to allow an investor in the Preference Shares to gain an economic exposure to the Preference Share Underlying. If a Preference Share Underlying is materially impacted by an unexpected event – for example, a company merges and the original stock that formed a Preference Share Underlying is restructured or changed, or the rules of an index that is a Preference Share Underlying are materially modified – then it may not be possible to achieve the investment objective of the Preference Shares based on the original terms and conditions of the Preference Shares. Therefore the Preference Share Issuer and the Preference Share Calculation Agent may need to make certain discretionary determinations in order to preserve the original</p>	

	<p>economic objective and rationale of the Preference Shares.</p> <p>In addition, the Preference Share Issuer and/or its affiliates may enter into hedging arrangements in order to manage its exposure in relation to its payment obligations under the Preference Shares and to enable it to issue the Preference Shares at the relevant price and on the relevant terms. Similarly, a hedging counterparty in respect of any financial product linked to the Preference Shares may enter into hedging arrangements to manage the exposure of the relevant obligor to its payment obligations under such financial product.</p> <p>If the amount(s) payable by the Preference Share Issuer under the Preference Shares depend on the performance of the Preference Share Underlying(s), the hedging arrangements may involve holding the Preference Share Underlying(s) directly, entering into derivative contracts with counterparties to receive a corresponding economic exposure to the Preference Share Underlying(s) or to hedge the currency or price risk in relation to the Preference Share Underlying(s) or the Preference Shares. If an external event occurs subsequent to the issuance of the Preference Shares which negatively impacts the Preference Share Issuer's or a hedging counterparty's hedging arrangements or the costs of maintaining such hedging arrangements, then the Preference Share Issuer may need to make adjustments to certain of the terms of the Preference Shares, or if it determines that any such adjustment would not achieve a commercially reasonable result, it may early redeem the Preference Shares. Such external events are unlikely to have been reflected in the original pricing of the Preference Shares.</p> <p>Certain of the adjustments above may be made by the Preference Share Calculation Agent on behalf of the Preference Share Issuer.</p>
What is the effect of such event and/or action taken by the Preference Share Issuer?	<p>The Preference Share-Linked Securities are linked to the Preference Shares.</p> <p>If the Preference Share Issuer redeems the Preference Shares early, the Issuer will redeem the Preference Share-Linked Securities at the Unscheduled Termination Amount which could be less than an investor's initial investment (and may be reduced to zero).</p> <p>Following early redemption of the Preference Share-Linked Securities, the holders of such Preference Share-Linked Securities may not be able to reinvest the redemption proceeds on terms as favourable as those of the Preference Share-Linked Securities being redeemed. Investors in Preference Share-Linked Securities should consider such reinvestment risk in light of other investments available at that time.</p> <p>If the Preference Share Issuer (or the Preference Share Calculation Agent) makes an adjustment to the terms of the Preference Shares, it may affect the value of the Preference Shares. The Preference Share Linked Securities are linked to the Preference Shares and will be adversely affected if the performance of the Preference Shares is negative.</p> <p>If the Preference Share Issuer early redeems the Preference Shares, they will be redeemed at their fair market value less any costs associated with the early redemption of the Preference Shares including, if specified to be applicable in the terms and conditions of the Preference Shares, the costs of unwinding any hedging arrangements relating to the Preference Shares or the Preference Share-Linked Securities.</p>
Where can I find more information?	<p>See risk factor 4 (<i>General risks relating to Preference Share-Linked Securities</i>), and in particular the paragraph headed "Adjustments or early redemptions" under 4(c), for more information.</p>

OVERVIEW OF PROVISIONS RELATING TO SECURITIES WHILE IN GLOBAL FORM

The following provisions apply to Securities while in global form and represented by a Global Security or Global Certificate.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of a Clearing System as the holder of a Security represented by a Global Security or a Global Certificate must look solely to such Clearing System for its share of each payment made by the Issuer to the bearer of such Global Security or the holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Security or Global Certificate, subject to and in accordance with the respective rules and procedures of such Clearing System.

So long as the Securities are represented by a Global Security or Global Certificate and the relevant Clearing System(s) so permit, the Securities shall be tradable only in principal amounts of at least the Specified Denomination (or, if more than one Specified Denomination, the lowest Specified Denomination) provided thereon and integral multiples of the tradable amount in excess thereof provided in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement).

Global Certificates

If the Securities are held in a Clearing System and are represented by a Global Certificate, the following will apply in respect of transfers of Securities. These provisions will not prevent the trading of interests in the Securities within a Clearing System (which will be subject to the rules and procedures of the relevant Clearing System), but will limit the circumstances in which the Securities may be withdrawn from the relevant Clearing System.

Transfers of the holding of Securities represented by any Global Certificate pursuant to General Note Condition 2 may only be made in part:

- (a) if the relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) if principal in respect of any Securities is not paid when due; or
- (c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the person in whose name the Securities are registered has given the Registrar not less than 30 days' notice at its specified office of its intention to effect such transfer.

No such transfer may be made during the period from the date of selection of Securities to be redeemed pursuant to General Note Condition 5(d) to the date of their redemption.

Deed of Covenant

Under the Deed of Covenant, the Issuer has covenanted in favour of the Securityholders from time to time that, if principal in respect of any Securities is not paid when due, it will make payment of the unpaid amounts in respect of the Securities to the relevant Clearing Systems for crediting to the accounts of the relevant Securityholders in accordance with the rules and procedures of the relevant Clearing System.

GENERAL TERMS AND CONDITIONS OF NOTES

*The following is the text of the general terms and conditions ("**General Note Conditions**") that, together with the applicable Product Conditions, shall be applicable to Securities, in each case as specified in and subject to the provisions of the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement). The applicable Pricing Supplement in relation to any series of Exempt Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following General Note Conditions (and/or the applicable Product Conditions), replace or modify the following General Note Conditions (and/or the applicable Product Conditions) for the purposes of such Exempt Securities. References in the Conditions to "Securities" are to the Securities of one series only, not to all Securities that may be issued under the Programme.*

The Securities (which expression shall include any Securities issued pursuant to General Note Condition 13) are issued pursuant to an agency agreement dated 3 July 2014 (as amended, restated or supplemented from time to time, the "**Agency Agreement**") between (among others) the Issuer, The Bank of New York Mellon, acting through its London Branch (or such other entity as may be specified in the relevant Final Terms (or in the case of Exempt Securities, the relevant Pricing Supplement)) as fiscal agent and the other agents named in it and with the benefit of a deed of covenant dated 3 July 2014 (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") executed by the Issuer in relation to Securities issued by it. The fiscal agent, the registrar, the transfer agents, the calculation agent(s) and the paying agents for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Registrar**", the "**Transfer Agents**", the "**Calculation Agent(s)**" and the "**Paying Agents**" (which expression shall include the Fiscal Agent, the Registrar, the Transfer Agents and the Calculation Agent(s) and, together with any other agents specified in the relevant Final Terms (or in the case of Exempt Securities, the relevant Pricing Supplement), the "**Agents**"). The Securityholders (as defined in General Note Condition 1) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement and the Deed of Covenant are, and, so long as any Security remains outstanding, will be available for inspection during normal business hours at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

The Securities of any Series are subject to these General Note Conditions, as modified and/or supplemented by the applicable Product Conditions, and the relevant final terms (the "**Final Terms**") relating to the relevant Securities (together, the "**Terms and Conditions**" or the "**Conditions**"). If the Securities of a Series are Securities which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive ("**Exempt Securities**"), the final terms relating to such Exempt Securities will be set out in a pricing supplement document (the "**Pricing Supplement**") which may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these General Note Conditions and/or the applicable Product Conditions, replace or modify these General Note Conditions and/or the applicable Product Conditions for the purposes of such Exempt Securities. In respect of Exempt Securities, any reference in the Conditions to the applicable Final Terms or the relevant Final Terms shall be deemed to include a reference to the applicable Pricing Supplement or the relevant Pricing Supplement respectively where relevant.

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

- (a) the relevant Final Terms;
- (b) the applicable Product Conditions; and
- (c) the General Note Conditions.

Except in relation to General Note Conditions 8, 11 and 19 references herein to the "Issuer" shall be to Credit Suisse AG acting through its London Branch or its Nassau Branch (each a "**Branch**") (as specified on the face of the relevant Final Terms). In relation to General Note Conditions 8, 11 and 19, references to "**Issuer**" shall be to Credit Suisse AG.

1. Form, Denomination and Title

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

All Registered Securities shall have the same Specified Denomination.

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

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

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

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

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

2. **Transfers of Registered Securities**

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

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

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

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

(c) **Delivery of New Certificates**

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

(d) **Transfers Free of Charge**

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

(e) **Closed Periods**

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

3. **Status**

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

4. **Interest**

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

Each Fixed Rate Security bears interest on its outstanding nominal amount from and including the Interest Commencement Date either (i) at the rate per annum (expressed as a percentage) equal to the Rate of Interest or (ii) in an Interest Amount, such interest being payable in arrear on each Interest Payment Date. If so specified in the relevant Final Terms, the Rate of Interest or Interest Amount may be different for different Interest Periods.

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

(i) **Interest Payment Dates**

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

a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date specified in the relevant Final Terms.

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

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

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

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

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

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

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

(c) ***Accrual of Interest***

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

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

- (i) If any rate multiplier (a "**Rate Multiplier**") is specified in the relevant Final Terms (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with (c) above by multiplying by such Rate Multiplier, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of (1) any currency amounts denominated in Japanese yen, which shall be rounded down to the nearest Japanese yen, or (2) any currency amounts payable in respect of Securities where the Specified Denomination or Nominal Amount (as the case may be) is specified in the relevant Final Terms to be GBP 1.00, which shall be rounded up to 4 decimal places. For these purposes "unit" means the lowest transferable amount of such currency.

(e) **Calculations**

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

(f) **Determination and Publication of Rates of Interest and Interest Amounts**

On such date as the Calculation Agent may be required under this General Note Condition 4 to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate, calculate such amounts, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Fiscal Agent, the Issuer (if the Issuer is not the Calculation Agent), each of the Agents, the Securityholders and, if the Securities are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date is subject to adjustment pursuant to General Note Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Securities become due and payable under General Note Condition 8, the accrued interest and the Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this General Note Condition 4 but no publication of the Rate of Interest or the Interest Amount so calculated need be made.

(g) **Definitions**

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

"Aggregate Nominal Amount" means the aggregate nominal amount of the Securities set out in the relevant Final Terms.

"Business Centre" means each of the places so specified in the relevant Final Terms.

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a TARGET Business Day; and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle

payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

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

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

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

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

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

- (vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms:

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- (I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year; and
 - (II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (aa) the number of days in such Determination Period and (bb) the number of Determination Periods normally ending in any year;

where:

"**Designated Maturity**" means the period set out in the relevant Final Terms.

"**Determination Date**" means each date so specified in the relevant Final Terms or, if none is so specified, each Interest Payment Date; and

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

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

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms.

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

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

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

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

5. **Redemption, Purchase and Options**

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

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

(b) ***Early Redemption***

The Unscheduled Termination Amount payable in respect of each Security upon the redemption of such Security pursuant to General Note Condition 5(c) or upon any Security becoming due and payable as provided in General Note Condition 8 shall be such amount as determined in accordance with Product Condition 1.

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

If the Issuer shall have determined, acting in good faith and in a commercially reasonable manner, that the performance of any of its obligations under the Securities or that any arrangement made to hedge its obligations under the Securities shall have or will become, in whole or in part, unlawful, illegal, or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof (an **"Illegality"**), then the Issuer may, if and to the extent permitted by applicable law, having given notice to Securityholders as soon as practicable in accordance with General Note Condition 14, redeem the Securities at their Unscheduled Termination Amount. No payment of the Redemption Amount or any other amounts on account of interest or otherwise shall be made after such notice has been given.

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

If "Redemption at the Option of the Issuer" is specified as applicable in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to

the Securityholders in accordance with General Note Condition 14 (or such other notice period as may be specified in the relevant Final Terms) redeem all of the Securities on any Optional Redemption Date specified in the relevant Final Terms at their Optional Redemption Amount.

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

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

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

(f) ***Purchases***

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

(g) ***Reference to Principal***

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

6. ***Payments***

(a) ***Bearer Securities***

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

(b) ***Registered Securities***

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

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

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

(d) **Payments Subject to Laws**

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

(e) **Appointment of Agents**

The Agents initially appointed by the Issuer and their respective specified offices are specified in the relevant Final Terms. The Agents act solely as agents of the Issuer and neither the Issuer nor any of the Agents assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. The Issuer may at any time vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Securities, (iii) a Transfer Agent in relation to Registered Securities and (iv) so long as the Securities are listed on any stock exchange and the rules of that stock exchange or the relevant competent authority so require, such Paying Agents or other agents as may be required by the rules of such stock exchange or competent authority.

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

(f) **Non-Business Days**

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day or to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day which is a Currency Business Day and, where presentation is required, a Banking Day in the relevant place of presentation.

7. **Prescription**

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

8. **Events of Default**

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

- (a) the Issuer fails to pay any amount due on the Securities within 30 days after the due date; or
- (b) the Issuer is (or could be deemed by law or court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, initiates or becomes subject to proceedings relating to itself under any applicable bankruptcy, liquidation, insolvency, composition administration or insolvency law, proposes or makes a stay of execution, a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer,

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

9. **Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions. Such a meeting may be convened by Securityholders holding not less than one tenth in nominal amount of the Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (a) to amend any date for payment on the Securities, (b) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Securities, (c) to reduce the rate or rates of interest in respect of the Securities, (d) to vary any method of, or basis for, calculating any amount payable on the Securities or deliverable in respect of the Securities, (e) to vary the currency or currencies of payment or denomination of the Securities, (f) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Securityholders (whether or not they were present at the meeting at which such resolution was passed).

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

10. **Modification**

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

11. **Substitution of the Issuer**

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

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

- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Note Condition 14.

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

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

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

12. Taxation

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

13. Further Issues

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

14. Notices

Notices to the holders of Securities which are listed on a stock exchange shall be given in such manner as the rules of such exchange or the relevant authority may require (in the case of the Luxembourg Stock Exchange by publication on www.bourse.lu). In addition, so long as any Securities are held in or on behalf of a Clearing System, notices to the holders of such Securities may be given by delivery of the relevant notice to that Clearing System for communication by it to entitled accountholders or by delivery of the relevant notice to the holder of the relevant Global Security or Global Certificate. Notices to the holders of Securities may also be given by publication in the newspaper specified in the relevant Final Terms or such other leading newspaper of general circulation as the Issuer may determine. Any such notice shall be deemed to have been given on the weekday following such delivery or, where notices are so published, on the date of such publication or, if published more than once or on different dates, on the date of the first such publication. Notices to the holders of Registered Securities may alternatively be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

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

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

15. Replacement of Certificates

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

16. **Calculations and Determinations**

Where any calculations or determinations are required in the Conditions to be made by the Issuer, the Issuer may delegate the performance of such determinations and/or calculations to a Calculation Agent on its behalf. In such event, the relevant references to the "Issuer" shall be construed as references to such Calculation Agent.

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

In making any discretionary determinations under the Conditions, each of the Issuer and the Calculation Agent may take into account such factors as it determines to be appropriate (including, but not limited to, any circumstances or events which it determines has a material effect on the hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities). Where provided in the Conditions, the Issuer or the Calculation Agent will calculate any amount(s) payable using the information, price sources or factors, whether official or estimated, as specified in the Conditions. However, should the Issuer or the Calculation Agent not be able to obtain the necessary information or be able to use the specified price sources or factors, then, after using reasonable efforts and after applying all applicable fallback provisions specified in the Conditions in relation to such calculation, the Issuer or the Calculation Agent shall be permitted to use its estimate (acting in good faith and in a commercially reasonable manner) of the relevant information, price source or factor in making the relevant calculations should it determine that such estimate is reasonably necessary.

All calculations and determinations and exercises of discretion made by the Issuer or the Calculation Agent in such capacity under the Conditions (which, for the avoidance of doubt, shall not include the terms of the offer of the Securities as set out in Part B of the Final Terms, if applicable) whether or not already expressed to be the case therein shall be made in good faith and in a commercially reasonable manner and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by any such calculation, determination and exercise of discretion in accordance with its applicable regulatory obligations.

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

Neither the Issuer nor the Calculation Agent assumes any obligation or relationship of agency or trust or of a fiduciary nature for or with any Securityholder. Nothing in the Conditions shall exclude or restrict any duty or liability arising under the regulatory framework applicable to any person authorised by the Financial Conduct Authority.

17. **Third Parties**

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

18. **Miscellaneous Definitions**

References to "**AUD**" are to Australian dollars, references to "**CAD**" are to Canadian dollars, references to "**DKr**" are to Danish Krone, references to "**EUR**" and "**€**" are to euro, being the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time), references to "**GBP**" and "**£**" are to

pounds sterling, references to "HK\$" and "HKD" are to Hong Kong dollars, references to "JPY" and "¥" are to Japanese yen, references to "Nkr" and "NOK" are to Norwegian Krone, references to "SGD" are to Singapore dollars, references to "SEK" and "SKr" are to Swedish Krona, references to "CHF" and "Sfr" are to Swiss Francs and references to "USD" and "U.S.\$" are to United States dollars.

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

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

"Dealer" means any dealer specified in the relevant Final Terms.

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

"Financial Centre" means each of the places so specified in the relevant Final Terms.

"Hedging Arrangements" means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, commodities, currency or other asset, the entry into or termination of interest rate swap transactions, any options or futures on any securities, commodities or other asset, any depositary receipts in respect of any securities, and any associated foreign exchange transactions.

"Initial Share Setting Date" means the date so specified in the relevant Final Terms, provided that if any date used for the valuation or any determination of the Preference Share Underlying(s) (or any part thereof) for the Preference Shares falling on or about such day is delayed or to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a non-scheduled trading day, an adjustment or a disrupted day, the Initial Share Setting Date shall be (a) if "Initial Share Setting Date Adjustment" is specified to be "Earliest", the earliest (delayed or otherwise) date on which any valuation or determination is made, or (b) if "Initial Share Setting Date Adjustment" is specified to be "Latest", the latest delayed date on which any valuation or determination is made, in each case as determined by the Calculation Agent and as specified in the relevant Final Terms.

"Issue Date" means one of the following as specified in the relevant Final Terms:

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

"Issue Price" means the amount so specified in the relevant Final Terms.

"Maturity Date" means the date so specified in the relevant Final Terms.

"Optional Redemption Amount" means, in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out in Product Condition 3 below, except that for the purpose of this definition, "Share Final" shall mean the Preference Share Value on the Optional Redemption Valuation Date.

"Optional Redemption Date(s)" means the date(s) specified as such in the relevant Final Terms.

"Optional Redemption Valuation Date" means the date on which the Securities are scheduled to be redeemed in accordance with General Note Condition 5 (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities).

"Preference Share Value" has the meaning given to it in Product Condition 1.

"Redemption Amount" has the meaning given to it in Product Condition 3.

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

"Share Final" has the meaning given to it in Product Condition 3.

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

"Unscheduled Termination Amount" has the meaning given to it in Product Condition 1.

19. **Governing Law and Jurisdiction**

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

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

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and the relevant Branch and may be enforced in the courts of any other jurisdiction. Nothing in this General Note Condition 19 shall limit any right to take Proceedings against the Issuer or the relevant Branch in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

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

PRODUCT CONDITIONS

The terms and conditions applicable to the Securities will comprise the General Note Conditions and the Product Conditions set out below (the "**Product Conditions**"), in each case subject to completion in the applicable Final Terms. In the event of any discrepancy or conflict between (a) the General Note Conditions and (b) the Product Conditions, the Product Conditions will prevail. In the event of any discrepancy between (a) the General Note Conditions and/or the Product Conditions and (b) the applicable Final Terms, the applicable Final Terms will prevail. The Product Conditions constitute Product Conditions for the purposes of the General Note Conditions.

1. **Early Redemption as a result of a Preference Share Early Redemption Event**

Upon the occurrence of a Preference Share Early Redemption Event, the Issuer will give notice to the holders of the Securities in accordance with General Note Condition 14 that it will redeem all (but not some only) of the Securities on the Currency Business Day immediately preceding the date on which the Preference Shares are scheduled to be redeemed (as specified in the Early Redemption Notice) and each Security will be redeemed on such date at the Unscheduled Termination Amount.

For the purposes of the Conditions:

"Cell" means, in respect of the Preference Shares, the protected cell specified in the relevant Final Terms, being a protected cell in the Preference Share Company established in accordance with the Companies (Jersey) Law 1991 and the articles of association of the Preference Share Company.

"Early Redemption Notice" means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"Early Redemption Valuation Date" means the date on which the Securities are scheduled to be redeemed (or such earlier date only to the extent necessary to allow the calculation of the Preference Share Value prior to the redemption of the Securities).

"Information Source" means the information source specified in the relevant Final Terms.

"Preference Shares" means the Preference Shares specified in the relevant Final Terms relating to the Securities and issued by the Preference Share Issuer in respect of the Cell.

"Preference Share Company" means Andrea Investments (Jersey) PCC.

"Preference Share Early Redemption Event" means the event that occurs if the Issuer has received an Early Redemption Notice.

"Preference Share Issuer" means the Preference Share Company acting in respect of the Cell.

"Preference Share Value" means, in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent using its internal models and methodologies and taking into account such factor(s) as the Calculation Agent determines appropriate, including, but not limited to:

- (a) the time remaining to maturity of the Preference Share;
- (b) the interest rate at which banks lend to each other;
- (c) the interest rate at which the Issuer (or its affiliates) would be charged to borrow cash;
- (d) if the Preference Share is linked to one or more underlying assets, the value, expected future performance and/or volatility of such underlying asset(s); and
- (e) any other information which the Calculation Agent determines relevant.

Following such determination, the Preference Share Value is scheduled to be published by the Issuer on each Currency Business Day on the Bloomberg service as specified in the relevant Final Terms or on such other widely available Information Source as is specified in the relevant Final Terms or, in each case, such widely available replacement price source as is specified by notice to the holders of the Securities in accordance with General Note Condition 14.

"Unscheduled Termination Amount" means, in respect of each Security, an amount in the Settlement Currency calculated by the Calculation Agent on the same basis as the Redemption Amount as set out in Product Condition 3 below, except that for the purposes of this definition, "Share Final" shall mean the Preference Share Value on the Early Redemption Valuation Date.

"Valuation Time" has the meaning given to it in the applicable Final Terms or, if not set out in the applicable Final Terms, 5.00 pm (London time).

2. **Extraordinary Events and Additional Disruption Events**

If the Issuer determines that an Extraordinary Event (where specified as applicable in the relevant Final Terms) or an Additional Disruption Event (where specified as applicable in the relevant Final Terms) has occurred, the Issuer in its discretion may (but is not obliged to) give notice to the holders of the Securities in accordance with General Note Condition 14 that it will redeem all, but not some only, of the Securities at the Unscheduled Termination Amount on the Currency Business Day specified in the relevant notice and having given such notice will redeem each Security on the relevant date specified in such notice.

Determinations by the Issuer or the Calculation Agent acting on its behalf in accordance with this Product Condition shall be made in good faith and in a commercially reasonable manner having regard to market practices, and (where there is a corresponding applicable regulatory obligation) shall take into account whether fair treatment is achieved by such determination in accordance with its applicable regulatory obligations. Such determinations shall, in the absence of manifest error, be conclusive and binding on Securityholders.

Where:

"Additional Disruption Event" means a Change in Law, an Insolvency Filing or a Hedging Disruption as specified to be applicable in the relevant Final Terms.

"Change in Law" means that, on or after the Issue Date of the relevant Securities, (a) due to the adoption of or any change in any applicable law (including, without limitation, any tax law), rule, regulation or order, any regulatory or tax authority ruling, regulation or order or any regulation, rule or procedure of any exchange (an **"Applicable Regulation"**), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that (i) it has or will become illegal or contrary to any Applicable Regulation for it, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions relating to such Securities, or (ii) it will incur a materially increased cost in performing its obligations with respect to such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements.

"Extraordinary Event" means a Merger Event, a Tender Offer, a Nationalisation or an Insolvency, as specified to be applicable in the relevant Final Terms.

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange, (b) stock loan transactions or (c) other instruments or arrangements (howsoever described) by the Issuer in order to hedge, individually or on a portfolio basis, the risk of entering into and performing its obligations with respect to the Securities.

"Hedging Arrangements" means any hedging arrangements entered into by the Issuer (and/or its affiliates) at any time with respect to the Securities, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

"Hedging Disruption" means that the Issuer (and/or its affiliates) is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer entering into and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Insolvency" means, by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or analogous proceedings affecting a Preference Share

Issuer, (a) all the Preference Shares in such Preference Share Issuer are required to be transferred to any trustee, liquidator or other similar official or (b) holders of the Preference Shares of such Preference Share Issuer become legally prohibited from transferring them.

"Insolvency Filing" means, in respect of a Preference Share, that the Issuer determines that the relevant Preference Share Issuer has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the relevant Preference Share Issuer shall not be an Insolvency Filing.

"Merger Event" means, in respect of any Preference Shares, any (a) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the relevant Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the relevant Preference Share Issuer is the continuing entity and which does not result in reclassification or change of all of such Preference Shares outstanding) or (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares in the relevant Preference Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the relevant Preference Share Issuer or its subsidiaries with or into another entity in which such Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event.

"Nationalisation" means that all the Preference Shares in the Preference Share Issuer or all the assets or substantially all the assets of such Preference Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality.

"Tender Offer" means, in respect of any Preference Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, more than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the relevant Preference Share Issuer, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems in its determination relevant.

3. **Redemption Amount**

"Initial Valuation Date" means the Issue Date as specified in the relevant Final Terms or, if such day is not a Currency Business Day, the immediately succeeding Currency Business Day.

"Notional Amount" means the Specified Denomination.

"Preference Share Valuation Date" means the date so specified in the relevant Final Terms, or, if the terms and conditions of the Preference Shares provide that the Preference Shares are subject to redemption as a result of the auto-call feature being triggered on any Preference Share Trigger Barrier Observation Date(s), the date on which the auto-call feature is triggered, provided if any date used for the valuation or any determination of the Preference Share Underlying(s) (or any part thereof) for the Preference Shares falling on or about such day is delayed or to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a non-scheduled trading day, an adjustment or a disrupted day, the Preference Share Valuation Date shall be the latest delayed date on which any valuation or determination is made, as determined by the Calculation Agent.

"Preference Share Trigger Barrier Observation Date" means, in respect of a Preference Share, each date so specified in the relevant Final Terms.

"Redemption Amount" means, in respect of each Security of the Specified Denomination, an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following formula, which shall be rounded down to the nearest transferable unit of the Settlement Currency (save that where the Specified Denomination or Nominal Amount (as the case may be) of such Security is specified in the relevant Final Terms to be GBP 1.00, the Redemption Amount shall be rounded up to 4 decimal places):

$$\text{Notional Amount} \times \left(\frac{\text{Share Final}}{\text{Share Initial}} \right)$$

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

"Share Final" means the Preference Share Value on the Valuation Date.

"Share Initial" means the Preference Share Value on the Initial Valuation Date.

"Specified Denomination" means the denomination specified as such in the applicable Final Terms.

"Valuation Date" means the number of Currency Business Days following the Preference Share Valuation Date, as specified in the relevant Final Terms.

4. **Determinations by the Preference Share Issuer in respect of the Preference Shares**

If the Preference Share Issuer or the Preference Share Calculation Agent notifies the Issuer that any adjustments have been made to the terms of the Preference Shares, the Issuer shall notify the Securityholders, giving brief details of such adjustments and the event(s) giving rise to such adjustment(s), in accordance with General Note Condition 14.

DESCRIPTION OF THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES

The following is a summary description of the Preference Share Issuer and the Preference Shares.

The Preference Share Issuer

Andrea Investments (Jersey) PCC (the "**Preference Share Company**") was established under the name Andrea IV Investments (Jersey) Limited as a closed-ended investment company, incorporated with limited liability in Jersey under the Companies (Jersey) Law 1991 on 30 October 2001 (with registered number 81180). On 16 November 2007 the Preference Share Company was converted into a protected cell company and changed its name to Andrea Investments (Jersey) PCC. The Preference Share Company is established under the laws of Jersey and has its registered office at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands.

The Preference Share Company was created for the purpose of creating protected cells (each a "**Cell**") in respect of which the Preference Share Company, acting in respect of the relevant Cell (each a "**Preference Share Issuer**"), will issue a Series of Preference Shares (each a "**Series**"). Each Series may comprise one or more classes of Preference Shares (each a "**Class**"). Each Preference Share Issuer may issue more than one Series and Class of Preference Shares.

Each Series of Securities will give exposure to the performance of a separate Class of Preference Shares that in turn gives exposure to a Preference Share Underlying. It is expected that the Preference Share Issuer will only issue a small number of Preference Shares of the relevant Class and that, unless otherwise specified in the applicable Final Terms (or, in the case of Exempt Securities, the applicable Pricing Supplement), these will be issued fully paid at £1.00 each and will be held by Credit Suisse International, the Issuer or an affiliate of the Issuer until their redemption date.

The sole business activity of each Preference Share Issuer is to issue redeemable preference shares. Accordingly, each Preference Share Issuer does not have any trading assets and does not generate any significant net income.

A copy of the Preference Share Issuer's constitutional documents and the relevant Preference Share Terms and Conditions are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer at 13 Castle Street, St. Helier, Jersey JE4 5UT, Channel Islands and from the Distributor of the relevant Securities. If specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement), the Preference Share Terms and Conditions will also be available on the website specified in the relevant Final Terms (or relevant Pricing Supplement).

The Preference Shares

The Preference Share Issuer may issue redeemable Preference Shares of any kind, including but not limited to Preference Shares linked to the performance of one or more underlying asset(s) which may include, but will not be limited to, equity, debt or derivative securities, indices, investments, funds, exchange traded funds, commodities, baskets of securities or indices, currencies, portfolios and trading strategies and which may change over time as a result of performance, the exercise of investment management discretion or other factors (each a "**Preference Share Underlying**") and will be issued on such terms as may be determined by the Preference Share Issuer and specified in the applicable terms and conditions of the relevant Class of Preference Shares (the "**Preference Share Terms and Conditions**").

The Preference Share Terms and Conditions of each Class provide that the applicable Preference Shares will be redeemable on their final redemption date at a defined amount as determined in accordance with the Preference Share Terms and Conditions.

The Preference Share Terms and Conditions may also provide that the Preference Share Issuer may redeem the Preference Shares early if:

- (a) the Preference Share Calculation Agent determines that, for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or
- (b) the Preference Share Calculation Agent determines that certain events which affect the Preference Share Issuer's hedging arrangements or the Preference Share Underlying(s) have occurred; or

- (c) the Preference Share Calculation Agent determines there is a change in applicable law or regulation that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be onerous to it.

If the Issuer receives a notice from the Preference Share Issuer of the early redemption of the Preference Shares, the Issuer will notify holders of the Securities in accordance with General Note Condition 14 and each Security will be redeemed at its Unscheduled Termination Amount.

The value of the Preference Shares is scheduled to be published on each Currency Business Day on the Bloomberg service as specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) or on such other Information Source as may be specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement).

The Preference Share Underlying(s)

The performance of the Preference Shares depends on the performance of the Preference Share Underlying(s) to which the relevant Preference Shares give investment exposure.

In determining the value of the Preference Shares, the Preference Share Calculation Agent shall employ the calculation procedure and methodology set out in the applicable Preference Share Terms and Conditions.

Investors in the Securities should carefully review and ensure they understand the Preference Share Terms and Conditions and the investment exposure the Preference Shares give to the Preference Share Underlying(s) and consult with their own professional advisers if they consider it necessary.

FORM OF FINAL TERMS

Final Terms dated [●]

Credit Suisse AG

acting through its [London]/[Nassau] Branch

Preference Share-Linked Securities due [●]

linked to Preference Shares in Andrea Investments (Jersey) PCC

[Series-[●]]

(the "Securities")

issued pursuant to the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus as part of the **Structured Products Programme for the**

issuance of Notes, Certificates and Warrants

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Prospectus dated 5 December 2014 [as supplemented on [●]] [and by any further supplements up to, and including, [the later of] the Issue Date [and the date of listing of the Securities]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive and the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "**Prospectus Act 2005**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and Article 8.4 of the Prospectus Act 2005 and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the Securities is annexed to these Final Terms. Copies of the Base Prospectus [(including each supplement)] may be obtained from the registered office of the Issuer [and the offices of the Distributor(s)] and Agents specified herein.

These Final Terms comprise the final terms for the issue [and public offer in [●]] [and admission to trading on [specify regulated market]] of the Securities. [The Final Terms will be available for viewing on [the website(s) of the Distributor(s)] [and] [the website(s) of [the Luxembourg Stock Exchange (www.bourse.lu)] [and] [●] (specify website(s) of the relevant exchange).]

(For Tranches of Securities to be issued under the Base Prospectus which are to be fungible with one or more tranches of Securities issued under (a) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 22 August 2013 under the Structured Products Programme for the issuance of Notes, Certificates and Warrants, the Form of Final Terms from the 2013 Base Prospectus should be used with the changes set out in paragraph 5(a) (Fungible Issuances) of the "General Information" section in this Base Prospectus, or (b) the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus dated 25 August 2014 under the Structured Products Programme for the issuance of Notes, Certificates and Warrants, the Form of Final Terms from the 25 August 2014 Base Prospectus should be used with the changes set out in paragraph 5(b) (Fungible Issuances) of the "General Information" section in this Base Prospectus).

The terms and conditions applicable to the Securities are the General Note Conditions as amended and supplemented by the Product Conditions, each as set out in the Base Prospectus, as completed by these Final Terms. References to the Base Prospectus are to it as supplemented at the date of these Final Terms.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

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

1. Series Number: [●]/[Not Applicable]
2. Tranche Number: [●]/[Not Applicable]

- (Should be "Not Applicable" unless fungible with an existing series)*
- [Date on which Securities become fungible with Series: [●]] *(Include if fungible with an existing series on issuance)*
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
- (i) Series: [Up to] [●]
- (N.B. If "Up to" then a notice is required to be published for the final amount in accordance with Article 8 of the Prospectus Directive)*
- (ii) Tranche: [●]/[Not Applicable]
- (Should be "Not Applicable" unless fungible)*
5. Issue Price: [100]/[●] per cent. of the Aggregate Nominal Amount
- (Should always be 100 per cent. of the Aggregate Nominal Amount in the case of the first Tranche for a Series)*
6. Specified Denomination: [●]
7. Issue Date: [●]/[●] Currency Business Days following the Initial Share Setting Date (expected to be [●])
- Initial Share Setting Date: [●]
- Initial Share Setting Date Adjustment: [Earliest]/[Latest]
- (The Preference Shares should already be in issue however the Issue Date should not be more than 2 Currency Business Days after the issue date of the Preference Shares)*
8. Maturity Date: The Valuation Date/[●]
- (The Preference Shares should continue to be in existence until after the Maturity Date)*
9. Interest Basis: [Fixed Rate]/[Floating Rate]/[Not Applicable]

PROVISIONS RELATING TO INTEREST

10. Fixed Rate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum
- (ii) Interest Commencement Date: [●]/[Issue Date]
- (Specify if different from the Issue Date)*
- (iii) Interest Payment Date(s): [[●] in each year]/[●] [, subject to adjustment in accordance with the Business Day Convention]

(N.B. the General Note Conditions automatically adjusts all dates for payment purposes so adjustment wording should only be added here if dates will adjust for calculation purposes too)

- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
- (v) Business Centre(s): [●]
- (vi) Interest Amount (s) per Security: [[●] per Specified Denomination]/[An amount equal to [●] per cent. of the Nominal Amount]/[Not Applicable]
- (vii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis] / [30E/360 (ISDA)]/[Actual/Actual – ICMA] ([adjusted /unadjusted] basis)
- (viii) Determination Date(s): [●]/[Not Applicable]
- (Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)*
11. Floating Rate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Commencement Date: [●]/[Issue Date]
- (Specify if different from the Issue Date)*
- (ii) Interest Payment Dates: [[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention]
- (iii) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
- (iv) Business Centre(s): [●]
- (v) ISDA Determination:
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]/[The first day of that Interest Period]
- (vi) Margin(s): [+-]/[●] per cent. per annum/[Not Applicable]
- (vii) Minimum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]
- (viii) Maximum Rate of Interest: [[●] per cent. per annum]/[Not Applicable]

(ix) Day Count Fraction: [Actual/Actual]/[Actual/Actual] – ISDA/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/ [360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]/[Actual/Actual] – ICMA] ([adjusted/unadjusted] basis)

(x) Determination Date(s): [●]/[Not Applicable]
(Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual - ICMA)

(xi) Rate Multiplier: [●]/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

12. Valuation Date: [●] Currency Business Days following the Preference Share Valuation Date

- Preference Share Valuation Date: [●]

[- Preference Share Trigger Barrier Observation Date(s): [●] *(insert applicable trigger barrier or other observation dates)*

(Insert if auto-call feature applies to the Preference Shares; otherwise delete)

13. Valuation Time: [●] [(London time)]/[As per Product Condition 1]

14. Early Redemption:

(i) Redemption at the Option of the Issuer: General Note Condition 5(d) is [Applicable]/[Not Applicable]

[Optional Redemption Date(s): [●]]

[Notice Period: [●]] *(Set out if different from the General Note Conditions)*

(ii) Redemption at the Option of Securityholders: General Note Condition 5(e) is [Applicable]/[Not Applicable]

(iii) Early Redemption as a result of an Extraordinary Event: Product Condition 2 is [Applicable]/[Not Applicable]

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

Extraordinary Event Provisions:

- Merger Event: [Applicable]/[Not Applicable]

- Tender Offer: [Applicable]/[Not Applicable]

- Nationalisation: [Applicable]/[Not Applicable]

- Insolvency: [Applicable]/[Not Applicable]

(iv) Early Redemption as a result of an Additional Disruption Event: Product Condition 2 is [Applicable]/[Not Applicable]

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

Additional Disruption Event Provisions:

- Change in Law: [Applicable]/[Not Applicable]
 - Insolvency Filing: [Applicable]/[Not Applicable]
 - Hedging Disruption: [Applicable]/[Not Applicable]
 - 15. Settlement Currency: [The Specified Currency]/[●]
- (The currency in which payment will be made)*
- 16. Preference Shares:
 - Preference Share Issuer: [Andrea Investments (Jersey) PCC, a protected cell company incorporated in Jersey with registered number 81180 acting in respect of the Cell]/[●]
 - Cell: [●]
 - Preference Share: [Series – [●] [title] Preference Shares issued by the Preference Share Issuer in respect of the Cell]
 - ISIN: [●]
 - Bloomberg Code: [●]
 - Information Source: [●]/[Bloomberg Code [CSSN]/[website] *(specify the applicable price source for the publication of the Preference Share Value (see the definition of Preference Share Value in Product Condition 1) and, if publication is not scheduled to be made on Bloomberg on each Currency Business Day, details of such other interval and/or widely available information service on which the Preference Share Value will be scheduled to be published)*]
 - Preference Share Calculation Agent: [Credit Suisse International]/[●]

GENERAL PROVISIONS

- 17. Form of Securities:
 - (i) Type: [Bearer Securities]/[Registered Securities]
 - (ii) Global Security: [Global Security]/[Not Applicable]
 - (iii) The Issuer intends to permit indirect interests in the Securities to be held through CREST Depository Interests to be issued by the CREST Depository: [Applicable]/[Not Applicable]
- 18. Financial Centre(s): [Not Applicable]/[●] *(Note that this item relates to the place of payment)*
- 19. Minimum Transferable Number of Securities: [●]/[Not Applicable]
- 20. Listing and Admission to Trading: [Applicable]/[Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(Where documenting a fungible issuance, need to indicate that the original Securities are already admitted to trading)

- (i) Stock Exchange(s) to which application will initially be made to list the Securities: [Luxembourg Stock Exchange]/[●]
- (Application may subsequently be made to other stock exchange(s))*
- (ii) Admission to trading: [Application [has been]/[will be] made for the Securities to be admitted to trading on [the Regulated Market of] the [●] with effect from [●] provided, however, no assurance can be given that the Securities will be admitted to trading or listed on [the Regulated Market of] the [●] on the Issue Date or any specific date thereafter]
21. Entities (other than stock exchanges) to which application for listing and/or approval of the Securities will be made: [●]/[None]
22. Securities Codes:
- ISIN Code: [●]
- Common Code: [●]
- Swiss Security Number: [●]
23. Clearing and Trading:
- Clearing System(s) and any relevant identification number(s): [Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme]
- [Other]
- Delivery of Securities: Delivery [against]/[free of] payment
- Minimum Trading Lot: [●]/[Not Applicable]
24. Agents:
- Calculation Agent: [Credit Suisse International
One Cabot Square
London E14 4QJ]/[●]
- Fiscal Agent and Paying Agent: [The Bank of New York Mellon, acting through its London Branch
One Canada Square
London E14 5AL]/[●]
- Transfer Agent: *(Include for Registered Securities only)*
- [Not Applicable]
- [The Bank of New York Mellon
(Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg]

Registrar:	<p><i>(Include for Registered Securities only)</i></p> <p>[Not Applicable]</p> <p>[The Bank of New York Mellon (Luxembourg) S.A. Vertigo Building – Polaris 2-4 rue Eugene Ruppert L-2453 Luxembourg]</p> <p><i>(Delete or add additional Agents as appropriate)</i></p>
25. Dealer(s):	[Credit Suisse International]/[Credit Suisse Securities (Europe) Limited]/[●]
26. Specified newspaper for the purposes of notices to Securityholders:	[●]/[Not Applicable]

Part B –OTHER INFORMATION

(N.B. Complete "Terms and Conditions of the Offer" if the issuance is a public offer; otherwise delete)

[Terms and Conditions of the Offer

1. Offer Price: [Not Applicable]

[The Offer Price will be equal to the Issue Price.]

[To be determined on the basis of the prevailing market conditions on or around [●] subject to a maximum of [[●] per cent. of the Aggregate Nominal Amount]/[[●] per Security].]

[Up to [●] per cent. of the Offer Price is represented by a commission payable to the [relevant] Distributor.

See item 12 below for information on applicable fees.]

(If the Securities are to be resold at a different price to the Issue Price such resale must be done by the relevant Dealer or Distributor as principal)
2. Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:

[Up to] [●]/[To be determined on the basis of the demand for the Securities and prevailing market conditions and published in accordance with Article 8 of the Prospectus Directive.]

[It is anticipated that the final amount of Securities to be issued on the Issue Date will be notified to investors by appropriate means [(and also through a notice published on the [relevant] Distributor's website, if available)] on or around the Issue Date. The final amount of Securities will depend on the outcome of the offer.]

[Not Applicable]
3. Conditions (in addition to those specified in the Base Prospectus) to which the offer is subject:

[The offer of the Securities is conditional on their issue.]

[Right to cancel: The offer may be cancelled if the Aggregate Nominal Amount or aggregate number of Securities purchased is less than [●], or if the Issuer or the [relevant] Distributor assesses, at its absolute discretion, that any applicable laws, court rulings, decisions by governmental or other authorities or other similar factors render it illegal, impossible or impractical, in whole or part, to complete the offer or that there has been a material adverse change in the market conditions. In the case of cancellation, unless otherwise specified by the [relevant] Distributor, the [relevant] Distributor will repay the purchase price and any commission paid by any purchaser without interest.]

[The Issuer reserves the right to withdraw the offer and/or to cancel the issue of the Securities for any reason at any time on or prior to the

Issue Date.]

[For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor will not be entitled to subscribe or otherwise purchase any Securities. The [relevant] Distributor will repay the Offer Price and any commission paid by any investor without interest.]

[The offer will be subject to the above provisions. In case of withdrawal or cancellation, the [relevant] Distributor will inform the investors that have already applied for the Securities by appropriate means (and also through a notice published on its website, if available) and repay the Offer Price and any commission paid by any investor without interest.]

[●]

[Not Applicable]

4. The time period during which the offer will be open ("**Offer Period**"):

From, and including, [●] to, and including, [●].

The Offer Period may be discontinued at any time.

[Notice of the early closure of the Offer Period will be made to investors by appropriate means (and also through a notice published on the [relevant] Distributor's website, if available).]

[See further the section entitled "Details of the minimum and/or maximum amount of application" set out in item 7].

[Not Applicable]

5. Description of the application process:

[Prospective investors may apply to the [relevant] Distributor to subscribe for Securities in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally.]

[Investors will be notified by the [relevant] Distributor of the amount allotted.]

[Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Securities.]

[Not Applicable]

6. Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

[●]

[Not Applicable]

7. Details of the minimum and/or maximum amount of application:

[There is no minimum amount of application.]

[All of the Securities requested through the

[relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]

[Allotment of Securities will be managed and coordinated by the [relevant] Distributor subject to the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally. There are no pre-identified allotment criteria. All of the Securities requested through the [relevant] Distributor during the Offer Period will be assigned up to the maximum amount of the offer.]

[In the event that requests exceed the total amount of the offer, the [relevant] Distributor will close the Offer Period early, pursuant to item 4.

[The [maximum]/[minimum] [number]/[amount] of Securities each individual investor may subscribe for is [●].]

[Not Applicable]

8. Details of the method and time limits for paying up and delivering the Securities:

[Payments for the Securities shall be made to the [relevant] Distributor on [[●]/[such date as the [relevant] Distributor may specify] as instructed by the [relevant] Distributor.]

[Payments for the Securities shall be made to the [relevant] Distributor in accordance with the arrangements existing between the [relevant] Distributor and its customers relating to the subscription of securities generally, as instructed by the [relevant] Distributor.]

[The Securities are expected to be delivered to the purchasers' respective [book entry securities] accounts on or around [●]/[the date as notified by the [relevant] Distributor].]

[The Securities will be issued on the Issue Date against payment to the Issuer by the [relevant] Distributor of the aggregate subscription moneys. Each investor will be notified by the [relevant] Distributor of the settlement arrangements in respect of the Securities at the time of such investor's application.]

[Not Applicable]

9. Manner in and date on which results of the offer are to be made public:

[The results of the offer will be published in accordance with Article 8 of the Prospectus Directive on or before the Issue Date.]

[Not Applicable]

[●]

10. Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:

[Not Applicable]/[●]

11. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:
- [Not Applicable]/[●]/[Applicants will be notified by the [relevant] Distributor of the success of their application.]
- [Dealings in the Securities may begin before such notification is made/No dealings in the Securities may take place prior to the Issue Date.]
12. Amount of any expenses and taxes specifically charged to the subscriber or purchaser:
- [Not Applicable]/[●]/[The Distributor[s] will charge purchasers a commission of [●]/[up to [●] per cent. of the Specified Denomination] per Security.]
- [The Issuer will pay a fee to the Distributor[s] in connection with the Offer of [●]/[up to [●] per cent. of the Specified Denomination] per Security.]
- [The Issuer is not aware of any expenses or taxes specifically charged to the subscriber and not disclosed herein.]
- [Taxes charged in connection with the subscription, transfer, purchase or holding of Securities must be paid by the relevant investor and the Issuer will not have any obligation in relation thereto. Investors should consult their professional tax advisers to determine the tax regime applicable to their particular situation.]
13. Name(s) and address(es), to the extent known to the Issuer, of the placers ("Distributor(s)") in the various countries where the offer takes place:
- [●]
- [The Issuer reserves the right to appoint other distributors during the Offer Period. Any such appointment will be communicated to investors by means of a notice published on the Issuer's website: [●].]/[None]
14. [Consent:
- The Issuer consents to the use of the Base Prospectus by the financial intermediary/ies ("**Authorised Offeror(s)**"), during the offer period and subject to the conditions, as provided as follows:
- (a) Name and address of Authorised Offeror(s):
- [Give details]/[See item 13 above]
- (b) Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s):
- [Give details]/[Offer Period]
- (c) Conditions to the use of the Base Prospectus by the Authorised Offeror(s):
- The Base Prospectus may only be used by the Authorised Offeror(s) to make offerings of the Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place. [Insert any other conditions]
- If you intend to purchase Securities from an Authorised Offeror, you will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and**

you, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, the Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to you by that Authorised Offeror at the time the offer is made. Neither the Issuer nor any Dealer has any responsibility or liability for such information.]

[The Issuer does not consent to the use of the Base Prospectus for subsequent resale of the Securities.]]

[Interests of Natural and Legal Persons involved in the [Issue]/[Offer]

[[Save for any fees payable to the [dealer(s)] [and] [distributor(s)]] [of up to [●] per cent. of the Specified Denomination per Security]], s]/[S]o far as the Issuer is aware, no person involved in the [issue/offer] of the Securities has an interest material to the [issue]/[offer] [(other than as referred to in the Base Prospectus)].] *(Amend as appropriate if there are other interests)*

[REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer [●]

(See "Use of Proceeds" wording in the Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, then will need to include those reasons here.)]

[(ii)] Estimated net proceeds: [●]

(If proceeds are intended for more than one use, then will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)]

[(iii)] Estimated total expenses: [●]

(Include breakdown of expenses)

(As the Securities are derivative securities to which Annex XII of the Prospectus Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)]]

[Availability of Documentation in relation to the Preference Shares

Information relating to the Preference Share Issuer including its constitutional documents and the applicable terms and conditions of the Class of Preference Shares are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer [and from the Distributor of the Securities] [and will also be available on the following website: [●]].] *(delete if not applicable)*

[Information relating to the Preference Share Underlying(s)]

The performance of the Preference Shares will be linked to the performance of the following Preference Share Underlying(s):

(Include details of where information regarding the Preference Share Underlying(s) can be obtained. Where the Preference Share Underlying is an index, include the name of the index and details of where the information about the index can be obtained. Where the Preference Share Underlying is a share, include the name of the issuer of the share and the ISIN. Where the Preference Share Underlying is not an index or a share, include equivalent information)]

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

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

ANNEX

SUMMARY OF THE SECURITIES

[Issue specific summary to be extracted from Summary section of the Base Prospectus with appropriate deletions of non-applicable information (if any) and insertion of missing details (if any)]

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

Credit Suisse AG

acting through its [London]/[Nassau] Branch

Preference Share-Linked Securities due [●]

linked to Preference Shares in Andrea Investments (Jersey) PCC

[Series-[●]]

(the "Securities")

issued pursuant to the Preference Share-Linked Securities (Andrea Preference Share-Linked Securities) Base Prospectus as part of the **Structured Products Programme for the issuance of Notes, Certificates and Warrants**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Prospectus dated 5 December 2014 [as supplemented on [●] [and by any further supplements up to, and including, the Issue Date]]. Copies of the Base Prospectus [and each supplement to the Base Prospectus] may be obtained from the registered office of the Issuer [and the offices of the Distributor(s)] and Agents specified herein. This document constitutes the Pricing Supplement for the Securities described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented].

This Pricing Supplement does not constitute final terms for the purposes of Article 5.4 of the Prospectus Directive. The Issuer is not offering the Securities in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive. Nor is any person authorised to make such an offer of the Securities on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Securities on a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments.

The terms and conditions applicable to the Securities are the General Note Conditions as amended and supplemented by the Product Conditions and each as set out in the Base Prospectus, as completed and/or modified by this Pricing Supplement. References to the Base Prospectus are to it as supplemented at the date of this Pricing Supplement. [The purchase of the Securities involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Before making an investment decision, prospective purchasers of the Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Base Prospectus (including "Risk Factors" on pages 24 to 45 thereof) and this Pricing Supplement.]

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

[Insert any specific additional risk factors]

(Include whichever of the following apply or specify as "Not Applicable" (N/A). Italics denote guidance for completing the Pricing Supplement.)

1. Series Number: [●]/[Not Applicable]

2. Tranche Number: [●]/[Not Applicable]

(Should be "Not Applicable" unless fungible with an existing series)

- [Date on which Securities become fungible with Series: [●]] *(Include if fungible with an existing series on issuance)*
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
- (i) Series: [●]
- (ii) Tranche: [●]/[Not Applicable]
- (Should be "Not Applicable" unless fungible)*
5. Issue Price: [100]/[●] per cent. of the Aggregate Nominal Amount
- (Should always be 100 per cent. of the Aggregate Nominal Amount in the case of the first Tranche for a Series)*
6. Specified Denomination: [●]
7. Issue Date: [●]/[●] Currency Business Days following the Initial Share Setting Date (expected to be [●])
- Initial Share Setting Date: [●]
- Initial Share Setting Date Adjustment: [Earliest]/[Latest]
- (The Preference Shares should already be in issue however the Issue Date should not be more than 2 Currency Business Days after the issue date of the Preference Shares)*
8. Maturity Date: The Valuation Date/[●]
- (The Preference Shares should continue to be in existence until after the Maturity Date)*
9. Interest Basis: [Fixed Rate]/[Floating Rate]/[Not Applicable]

PROVISIONS RELATING TO INTEREST

10. Fixed Rate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum
- (ii) Interest Commencement Date: [●]/[Issue Date]
- (Specify if different from the Issue Date)*
- (iii) Interest Payment Date(s): [[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention]
- (N.B. the General Note Conditions automatically adjusts all dates for payment purposes so adjustment wording should only be added here if dates will adjust for calculation purposes too)*
- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day]

		Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]/[Other – give details]
	(v) Business Centre(s):	[●]
	(vi) Interest Amount(s) per Security:	[[●] per Specified Denomination]/[An amount equal to [●] per cent. of the Nominal Amount]/[Not Applicable]
	(vii) Day Count Fraction:	[Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis] / [30E/360 (ISDA)]/[Actual/Actual – ICMA] ([adjusted/unadjusted] basis)
	(viii) Determination Date(s):	[●]/[Not Applicable] <i>(Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)</i>
	(ix) Other terms relating to the method of calculating interest for Fixed Rate Securities:	[Not Applicable]/[Give details]
11.	Floating Rate Provisions:	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Commencement Date:	[●]/[Issue Date] <i>(Specify if different from the Issue Date)</i>
	(ii) Interest Payment Dates:	[[●] in each year]/[●], subject to adjustment in accordance with the Business Day Convention]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Other – give details]
	(iv) Business Centre(s):	[●]
	(v) ISDA Determination:	
	- Floating Rate Option:	[●]
	- Designated Maturity:	[●]
	- Reset Date:	[●]/[The first day of that Interest Period]
	- ISDA Definitions: (if different from those set out in the General Note Conditions)	[●]
	(vi) Margin(s):	[+/-][●] per cent. per annum/[Not Applicable]
	(vii) Minimum Rate of Interest:	[[●] per cent. per annum]/[Not Applicable]

- (viii) Maximum Rate of Interest: ☐ per cent. per annum]/[Not Applicable]
- (ix) Day Count Fraction: ☐ Actual/Actual]/[Actual/Actual – ISDA]/[Actual/365 (Fixed)]/[Actual/360]/[30/360]/[360/360]/[Bond Basis]/[30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]/[Actual/Actual – ICMA] ([adjusted/unadjusted] basis)
- (x) Determination Date(s): ☐/[Not Applicable]
- (Insert regular interest payment dates, ignoring the maturity date in the case of a long or short last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual – ICMA)*
- (xi) Rate Multiplier: ☐/[Not Applicable]
- (xii) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Securities, if different from those set out in the General Note Conditions: ☐/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

12. Valuation Date: ☐ Currency Business Days following the Preference Share Valuation Date
- Preference Share Valuation Date: ☐
- [- Preference Share Trigger Barrier Observation Date(s): ☐ *(insert applicable trigger barrier or other observation dates)*
- (Insert if auto-call feature applies to the Preference Shares; otherwise delete)*
13. Valuation Time: ☐ [(London time)]/[As per Product Condition 1]
14. Early Redemption:
- (i) Redemption at the Option of the Issuer: General Note Condition 5(d) is ☐ Applicable]/[Not Applicable]
- [Optional Redemption Date(s): ☐
- [Notice Period: ☐] *(Set out if different from the General Note Conditions)*
- (ii) Redemption at the Option of Securityholders: General Note Condition 5(e) is ☐ Applicable]/[Not Applicable]
- (iii) Early Redemption as a result of an Extraordinary Event: Product Condition 2 is ☐ Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Extraordinary Event Provisions:
- Merger Event: ☐ Applicable]/[Not Applicable]
- Tender Offer: ☐ Applicable]/[Not Applicable]

- Nationalisation: [Applicable]/[Not Applicable]
- Insolvency: [Applicable]/[Not Applicable]
- (iv) Early Redemption as a result of an Additional Disruption Event: Product Condition 2 is [Applicable]/[Not Applicable]

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

Additional Disruption Event Provisions:

- Change in Law: [Applicable]/[Not Applicable]
- Insolvency Filing: [Applicable]/[Not Applicable]
- Hedging Disruption: [Applicable]/[Not Applicable]

15. Settlement Currency: [The Specified Currency]/[●]

(The currency in which payment will be made)

16. Preference Shares:

- Preference Share Issuer: [Andrea Investments (Jersey) PCC, a protected cell company incorporated in Jersey with registered number 81180 acting in respect of the Cell]/[●]
- Cell: [●]
- Preference Share: [Series – [●] [title] Preference Shares issued by the Preference Share Issuer in respect of the Cell]
- ISIN: [●]
- Bloomberg Code: [●]
- Information Source: [●]/[Bloomberg Code [CSSN]/[website] *(specify the applicable price source for the publication of the Preference Share Value (see the definition of Preference Share Value in Product Condition 1) and, if publication is not scheduled to be made on Bloomberg on each Currency Business Day, details of such other interval and/or widely available information service on which the Preference Share Value will be scheduled to be published)*]
- Preference Share Calculation Agent: [Credit Suisse International]/[●]

GENERAL PROVISIONS

17. Form of Securities:

- (i) Type: [Bearer Securities]/[Registered Securities]
- (ii) Global Security: [Global Security]/[Not Applicable]
- (iii) The Issuer intends to permit indirect interests in the Securities to be held through CREST Depository Interests to be issued by the [Applicable]/[Not Applicable]

CREST Depository:

18. Financial Centre(s): [Not Applicable]/[●] (*Note that this item relates to the place of payment*)
19. Minimum Transferable Number of Securities: [●]/[Not Applicable]
20. Entities (other than stock exchanges) to which application for listing and/or approval of the Securities will be made: [●]/[None]
21. Securities Codes:
- ISIN Code: [●]
- Common Code: [●]
- Swiss Security Number: [●]
22. Clearing and Trading:
- Clearing System(s) and any relevant identification number(s): [Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme]
- [Other]
- Delivery of Securities: Delivery [against]/[free of] payment
- Minimum Trading Lot: [●]/[Not Applicable]
23. Agents:
- Calculation Agent: [Credit Suisse International
One Cabot Square
London
E14 4QJ]/[●]
- Fiscal Agent and Paying Agent: [The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL]/[●]
- Transfer Agent: (*Include for Registered Securities only*)
- [Not Applicable]
- [The Bank of New York Mellon
(Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg]
- Registrar: (*Include for Registered Securities only*)
- [Not Applicable]
- [The Bank of New York Mellon
(Luxembourg) S.A.
Vertigo Building – Polaris
2-4 rue Eugene Ruppert
L-2453 Luxembourg]
- (*Delete or add additional Agents as appropriate*)
24. Dealer(s): [Credit Suisse International]/[Credit Suisse Securities (Europe) Limited]/[●]

25. Specified newspaper for the purposes of ☒/[Not Applicable]
notices to Securityholders:

Part B –OTHER INFORMATION

Interests of Natural and Legal Persons involved in the Issue

[[Save for any fees payable to the [dealer(s)] [and] [distributor(s)]] [of up to [●] per cent. of the Specified Denomination per Security]], s]/[S]o far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue [(other than referred to in the Base Prospectus)].
(Amend as appropriate if there are other interests)

[Availability of Documentation in relation to the Preference Shares

Information relating to the Preference Share Issuer including its constitutional documents and the applicable terms and conditions of the Class of Preference Shares are available to investors in the Securities on written request (free of charge) from the registered office of the Preference Share Issuer [and from the Distributor of the Securities] [and will also be available on the following website: [●]].
(delete if not applicable)

[Information relating to the Preference Share Underlying(s)]

The performance of the Preference Shares will be linked to the performance of the following Preference Share Underlying(s):

(Include details of where information regarding the Preference Share Underlying(s) can be obtained. Where the Preference Share Underlying is an index, include the name of the index and details of where the information about the index can be obtained. Where the Preference Share Underlying is a share, include the name of the issuer of the share and the ISIN. Where the Preference Share Underlying is not an index or a share, include equivalent information)

Signed on behalf of the Issuer:

By: _____

Duly authorised

By: _____

Duly authorised

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

(Add if applicable)

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

(Add if applicable – Note: may only be applicable to unlisted private placements)

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

(Add if applicable – Note: may only be applicable to unlisted private placements)

CLEARING ARRANGEMENTS

The Securities will be cleared through the clearing system(s) specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) in accordance with the rules and procedures of the relevant clearing system. The International Securities Identification Number (ISIN) and any Common Code and/or other applicable clearing system identification numbers will be specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement).

Settlement and CREST

If specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement), investors may hold indirect interests in the Securities (such Securities being "**Underlying Securities**") through CREST (being the system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited or any successor thereto in accordance with the United Kingdom Uncertificated Securities Regulations 2001) by holding dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**").

CDIs are independent securities constituted under English law issued, held, settled and transferred through CREST. CDIs are issued by CREST Depository Limited or any successor thereto (the "**CREST Depository**") pursuant to the global deed poll dated 25 June 2001 (in the form contained in Chapter 8 of the CREST International Manual (which forms part of the CREST Manual)) (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**"). CDIs are issued by the CREST Depository and held through CREST in dematerialised uncertificated form in accordance with the CREST Deed Poll. CDIs in respect of Underlying Securities will be constituted, issued to investors and transferred pursuant to the terms of the CREST Deed Poll.

CDIs represent indirect interests in the Underlying Securities to which they relate and holders of CDIs will not be the legal owners of the Underlying Securities.

The Issuer will issue Underlying Securities with the intention that indirect interests in such Underlying Securities be held through CDIs. In order to enable the settlement of indirect interests in the relevant Underlying Securities within CREST, investors will need to hold such indirect interests via CDIs. The CDIs will not be offered to the public or admitted to trading on a regulated market.

Following the delivery of the Underlying Securities into a Relevant Clearing System permitted in the CREST Manual, indirect interests in Underlying Securities may be delivered, held and settled in CREST by means of the creation of dematerialised CDIs representing indirect interests in the relevant Underlying Securities. Interests in the Underlying Securities will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants. The CDIs will therefore consist of indirect rights of a CDI holder in, or relating to, the Underlying Securities which are held (through the CREST Nominee) on trust for the benefit of the CDI holder by the CREST Depository and will constitute a record acknowledging that the CREST Nominee holds the Underlying Securities as nominee on behalf of the CREST Depository. The CDIs will be issued once the relevant Underlying Securities are credited to the CREST Nominee's account. It is intended that CDIs will be issued to the relevant CREST participants on or around the Issue Date of the relevant Underlying Securities. However, CDIs may be created at any time following the credit of relevant Underlying Securities to the CREST Nominee's account with Euroclear.

Each CDI will be treated as one Underlying Security for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs any interest or other amounts received by it as holder of the Underlying Securities on trust for such CDI holder. Therefore, the holders of CDIs are entitled to the proceeds from the Underlying Securities. If a matter arises that requires a vote of Securityholders, Credit Suisse AG may make arrangements to permit the holders of CDIs to instruct the CREST Depository to exercise the voting rights of the CREST Nominee in respect of the Underlying Securities. However, there is no guarantee that it will be possible to put such voting arrangements in place for holders of CDIs.

Transfers of interests in Underlying Securities by the CREST Nominee to a participant of the Relevant Clearing System will be effected by cancellation of the CDIs and transfer of an interest in such Securities underlying the CDIs to the account of the relevant participant with the Relevant Clearing System. It is expected that the CDIs will have the same securities identification number as the ISIN of the Underlying Securities and will not require a separate listing on a recognised stock exchange.

The rights of the holders of CDIs will be governed by the arrangements between CREST and the Relevant Clearing System, including the CREST Deed Poll executed by the CREST Depository. These rights may be different from those of holders of Securities which are not represented by CDIs.

The attention of Investors in CDIs is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by calling +44 (0)20 7849 0000 or from the Euroclear UK & Ireland Limited website at www.euroclear.com/site/public/EUI.

CREDIT SUISSE AG

History, Development and Organisational Structure

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

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

The registered head office of Credit Suisse AG is located at Paradeplatz 8, CH-8001, Zurich, Switzerland, and its telephone number is 41-44-333-1111.

Auditors

Credit Suisse AG's statutory and bank law auditor is KPMG AG, Badenerstrasse 172, 8004 Zurich, Switzerland ("**KPMG**").

Credit Suisse AG's special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations is BDO AG, Fabrikstrasse 50, 8031 Zurich, Switzerland.

KPMG and BDO AG are both licensed by the Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals which provide audit services in Switzerland.

Names and Addresses of Directors and Executives

The business address of the members of the Board of Directors and the members of the Executive Board is Paradeplatz 8, CH-8001, Zurich, Switzerland.

The current members of the Board of Directors of Credit Suisse AG are as follows:

- Urs Rohner, Chairman
- Jassim Bin Hamad J. J. Al Thani
- Iris Bohnet
- Noreen Doyle
- Jean-Daniel Gerber
- Andreas N. Koopmann
- Jean Lanier
- Kai S. Nargolwala
- Anton van Rossum
- Severin Schwan
- Richard E. Thornburgh
- Sebastian Thrun
- John Tiner

The current members of the Executive Board are as follows:

- Brady W. Dougan, Chief Executive Officer
- James L. Amine
- Gaël de Boissard
- Romeo Cerutti
- David R. Mathers
- Hans-Ulrich Meister
- Joachim Oechslin
- Timothy P. O'Hara
- Robert S. Shafir

- Pamela A. Thomas-Graham

Further information about the members of the Boards of Directors and the Executive Board, including an indication of the principal activities performed by the members of the Boards of Directors and the Executive Board outside the Issuer where these are significant with respect to that Issuer, if any, can be found on pages 160 to 172 (pages 182 to 194 of the PDF file) of the Exhibit to Form 20-F Dated 3 April 2014, in the Form 6-K dated 9 May 2014, in the CS and Group Form 6-K Dated 22 July 2014 and in the Form 6-K Dated 17 October 2014.

Conflicts

There are no conflicts of interest of the members of the Board of Directors and the members of the Executive Board between their duties to Credit Suisse AG and their private interests and/or other duties.

Market Activity

Credit Suisse AG may update its expectations on market activity, and any such update will be included in its quarterly or annual reports.

Legal and Arbitration Proceedings

There are no, during the period of 12 months ending on the date of this Base Prospectus, governmental, legal or arbitration proceedings which may have, or have had in the past, significant effects on Credit Suisse AG's financial position or profitability, and Credit Suisse AG is not aware of any such proceedings being either pending or threatened, except as disclosed in:

- the Form 6-K Dated 31 October 2014 under the heading "Litigation" (note 29 to the condensed consolidated financial statements of the Group on pages 153 to 155 of the Exhibit to the Form 6-K Dated 31 October 2014);
- the CS Form 6-K Dated 31 July 2014 under the heading "Litigation" (note 29 to the condensed consolidated financial statements of the Group on pages 151 to 153 of the Third Exhibit to the CS Form 6-K Dated 31 July 2014);
- the Form 6-K Dated 19 May 2014;
- the Form 6-K Dated 2 May 2014 under the heading "Litigation" (note 29 to the condensed consolidated financial statements of the Group on pages 148 to 149 of the Exhibit to the Form 6-K Dated 2 May 2014);
- the Form 6-K/A Dated 3 April 2014 under the heading "Litigation" (note 29 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 159 to 161 of the Exhibit to the Form 6-K/A Dated 3 April 2014); and
- the Form 20-F Dated 3 April 2014 under the heading "Litigation" (note 38 to the condensed consolidated financial statements of Credit Suisse Group AG on pages 330 to 336 of the Exhibit to the Form 20-F Dated 3 April 2014).

In respect of each of the claims disclosed in the documents at the page references listed above in this paragraph, the amount of damages claimed (if specified in the relevant proceeding) and certain other quantifiable information that is publicly available is disclosed. In addition, a roll forward of Credit Suisse Group AG's aggregate litigation provisions is disclosed in Note 38 to its consolidated financial statements on pages 330 to 336 of the Exhibit to the Form 20-F Dated 3 April 2014.

The Group's aggregate litigation provisions include estimates of reasonably possible loss or range of loss for proceedings for which such losses are probable and can be reasonably estimated. Credit Suisse does not believe that it can estimate an aggregate range of reasonably possible losses for certain of its proceedings because of the complexity of the proceedings, the novelty of some of the claims, the early stage of the proceedings and limited amount of discovery that has occurred and/or other factors. The Group estimates that the aggregate range of reasonably possible losses that are not covered by existing provisions is zero to CHF 2.4 billion. The Group believes that any potential losses arising from litigation that have not been provided for in the consolidated financial statements, or that have not been quantitatively estimated, are either not material or cannot be reasonably estimated.

Credit Suisse AG discloses information about material settlements in its quarterly and annual reports.

Additional Information

CS is not dependent upon other members of its group.

CS has a number of subsidiaries in various jurisdictions.

TAXATION

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

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

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

UNITED KINGDOM

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

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

Withholding taxes

Securities issued by the Issuer acting through its Nassau branch

Payments of interest on the Securities which do not have a United Kingdom source may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities issued by the Issuer acting through its London branch

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 ("**ITA 2007**"), and provided that any such interest is paid in the ordinary course of its business within the meaning of section 878 ITA 2007 will be entitled to make payments of interest on the Securities without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Securities may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Securities are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 ITA 2007. The Luxembourg Stock Exchange is a recognised stock exchange. The Securities will satisfy this requirement if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange. Provided, therefore, that the Securities remain so listed, interest on the Securities will be payable without withholding or deduction on account of United Kingdom tax.

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

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

Provision of information

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest; and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

Further United Kingdom Income Tax Issues

Interest on Securities issued by the Issuer which constitutes United Kingdom source income for tax purposes may, as such, be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Securityholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Securityholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Securities are attributable (and, where that Securityholder is a company, unless that Securityholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Securities are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Securityholders.

United Kingdom Corporation Tax Payers

The United Kingdom taxation treatment of a Securityholder that is within the charge to United Kingdom corporation tax will depend on, among other things, the accounting treatment of the Securities in the Securityholder's hands. The accounting treatment will also affect the tax treatment of a disposal of the Securities (including a disposal occurring on redemption).

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

Other United Kingdom Tax Payers

Taxation of Chargeable Gains

Securities issued otherwise than under General Note Condition 13 should fall within the definition of "excluded indexed securities" in section 433 of the Income Tax (Trading and Other Income) Act 2005 ("ITTOIA 2005"). Securities issued under General Note Condition 13 should not be treated as "deeply discounted securities" under section 435 ITTOIA 2005 provided that, in the case of a particular Series,

at no time will the aggregate nominal amount outstanding for such Securities exceed the aggregate nominal amount outstanding of the Securities issued otherwise than under General Note Condition 13. The Securities should not constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 ("**TCGA 1992**") and an individual United Kingdom tax resident Securityholder who holds Securities (either falling within the definition of "excluded indexed securities" or not treated as "deeply discounted securities" under section 435) as an investment should be subject to capital gains tax ("**CGT**") on any capital gains arising from the disposal of the Securities.

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

The annual exemption is £11,000 for the 2014/2015 tax year and, under current legislation, this exemption is, unless Parliament decides otherwise, increased annually in line with the rate of increase (if any) in the consumer prices index. Securityholders should be aware that the United Kingdom Parliament is entitled to withdraw this link between the level of the annual exemption and the consumer prices (or other relevant) index or even to reduce the level of the annual exemption for future tax years below its current level.

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

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

Where an individual's total taxable income and gains (after allowable deductions) are less than the upper limit of the basic rate income tax band (which is set at £31,865 for the 2014/2015 tax year), CGT will be charged at 18 per cent. Any gains or part gains in excess of that upper limit will be taxed at 28 per cent. The rate or rates at which CGT is charged will therefore depend on the level of the Securityholder's taxable income and gains in the relevant tax year.

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

Prospective holders of Securities should obtain independent professional advice as to the United Kingdom tax consequences of acquiring, holding, redeeming or otherwise disposing of Securities.

Individual Savings Accounts

The Securities should qualify for inclusion within a stocks and shares ISA provided that (i) the shares of the Issuer or the shares of a company of which the Issuer is a 75 per cent. subsidiary (within the

meaning of section 1154 of the Corporation Tax Act 2010 ("**CTA 2010**") are and remain listed on the official list of a recognised stock exchange within the meaning of section 1005 of the ITA 2007 (a Recognised Stock Exchange), or the Securities are and remain so listed; and (ii) the Issuer is not an "open-ended investment company". The Securities would not qualify for inclusion within a cash ISA.

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

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

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

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

Other United Kingdom tax considerations

Transfer of Assets Abroad

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

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

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

- (A) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Security Transactions or provides advice in relation to any of the Security Transactions would have to be taken into account in determining the purposes for which the Security Transactions were effected;
- (B) for the purposes of (2) above, a Security Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (C) the making and managing of investments can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

Securityholders should note that Finance Act 2013 has introduced a new exception to the provisions, in addition to those described above, for genuine commercial transactions where a tax charge would constitute an unjustified and disproportionate restriction of a freedom protected by EU law.

Transactions in securities

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

- (1) in the case of a Securityholder who is a corporation tax payer:
 - (i) its investment in the Securities was made for bona fide commercial reasons or in the ordinary course of making or managing investments, and
 - (ii) the main object or one of the main objects of the investment in the Securities was not to obtain a corporation tax advantage within the meaning of section 732 of CTA 2010;
- (2) in the case of a Securityholder who is an income tax payer, it is not the case that the main purpose or one of the main purposes of the investment in the Securities was to obtain an income tax advantage within the meaning of section 687 of ITA 2007.

Disguised interest rules

The disguised interest rules may apply to any arrangement which produces a return which is economically equivalent to interest. A return will be treated as economically equivalent to interest if it is a return for the time value of money, paid at a rate reasonably comparable to a commercial rate of interest, where there is no practical likelihood that the return will not be paid.

Such a return may be taxed as income.

Restrictions on allowable losses

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

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

No United Kingdom stamp duty or SDRT is payable on the issue of Securities in bearer form or on a transfer by delivery of such Securities.

No United Kingdom stamp duty or SDRT is payable on the issue of Securities in registered form or on a transfer of such securities through the clearing systems where no written instrument is used to effect such transfer, provided in each case that the Securities are not registered in a register kept in the United Kingdom by or on behalf of the Issuer.

CREST Depository Interests

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

The information below relates only to United Kingdom taxation and is applicable to United Kingdom residents who are the beneficial owners of CDIs (other than where the Underlying Securities are Exempt Securities) and hold the CDIs as an investment, and does not apply to other categories of taxpayers such as dealers in shares and securities. It is based on United Kingdom tax law and HMRC published practice at the date of this Base Prospectus. The United Kingdom tax treatment of prospective holders of CDIs depends on their individual circumstances and may be subject to change in the future. Anyone who is unsure of their tax treatment in relation to CDIs should seek independent professional advice.

The following paragraphs are written on the assumption that the holders of the CDIs are, for United Kingdom tax purposes, absolutely beneficially entitled to the Underlying Securities and to any payments

on the Underlying Securities. In the following paragraphs, references to "Securities" should be taken to include references to "interests in Securities held through CDIs", and references to "Securityholders" should be taken to include references to "holders of CDIs".

Securities issued by the Issuer acting through its Nassau branch

Payments of interest on the Securities which do not have a United Kingdom source may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities issued by the Issuer acting through its London branch

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the ITA 2007, and provided that any such interest is paid in the ordinary course of its business within the meaning of section 878 ITA 2007 will be entitled to make payments of interest on the Securities without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Securities may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Securities are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 ITA 2007. The Luxembourg Stock Exchange is a recognised stock exchange. The Securities will satisfy this requirement if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange. Provided, therefore, that the Securities remain so listed, interest on the Securities will be payable without withholding or deduction on account of United Kingdom tax.

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

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

Provision of information

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest; and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

Further United Kingdom Income Tax Issues

Interest on Securities issued by the Issuer which constitutes United Kingdom source income for tax purposes may, as such, be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Securityholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Securityholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Securities are attributable (and, where that Securityholder is a company, unless that Securityholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Securities are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Securityholders.

United Kingdom Corporation Tax Payers

The United Kingdom taxation treatment of a Securityholder that is within the charge to United Kingdom corporation tax will depend on, among other things, the accounting treatment of the Securities in the Securityholder's hands. The accounting treatment will also affect the tax treatment of a disposal of the Securities (including a disposal occurring on redemption of the Underlying Securities).

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

Other United Kingdom Tax Payers

Taxation of Chargeable Gains

Securities issued otherwise than under General Note Condition 13 should fall within the definition of "excluded indexed securities" in section 433 of the ITTOIA 2005. Securities issued under General Note Condition 13 should not be treated as "deeply discounted securities" under section 435 ITTOIA 2005 provided that, in the case of a particular Series, at no time will the aggregate nominal amount outstanding for such Securities exceed the aggregate nominal amount outstanding of the Securities issued otherwise than under General Note Condition 13. The Securities should not constitute "qualifying corporate bonds" within the meaning of section 117 of TCGA 1992 and an individual United Kingdom tax resident Securityholder who holds Securities (either falling within the definition of "excluded indexed securities" or not treated as "deeply discounted securities" under section 435) as an investment should be subject to CGT on any capital gains arising from the disposal of the Securities.

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

The annual exemption is £10,900 for the 2013/2014 tax year and, under current legislation, this exemption is, unless Parliament decides otherwise, increased annually in line with the rate of increase (if any) in the consumer prices index. However, for the 2014/2015 and 2015/2016 tax years, it has been announced that this exemption will instead increase by 1 per cent. in each year. Securityholders should be aware that the United Kingdom Parliament is entitled to withdraw this link between the level of the annual exemption and the retail prices (or other relevant) index or even to reduce the level of the annual exemption for future tax years below its current level.

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

1. If the Securityholder has incurred no capital losses in the year of disposal and has no unrelieved capital losses from any previous tax year, he or she will be subject to CGT if and to the extent that the relevant capital gain plus any other capital gains realised by him in the year of disposal exceed the annual exemption for that year.
2. If the Securityholder has incurred capital losses in the year of disposal but has no unrelieved capital losses from any previous tax year, those losses can be set off against the relevant capital gain and against any other capital gains realised by him in the year of disposal. To the extent that those losses are insufficient to relieve the whole of the relevant capital gain and any

other capital gains realised by the Securityholder in the year of disposal CGT will be payable by the Securityholder if and to the extent that the net capital gains exceed the annual exemption for that year.

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

Where an individual's total taxable income and gains (after allowable deductions) are less than the upper limit of the basic rate income tax band (which is set at £32,010 for the 2013/2014 tax year and is expected to be £31,865 for the 2014/2015 tax year), CGT will be charged at 18 per cent. Any gains or part gains in excess of that upper limit will be taxed at 28 per cent. The rate or rates at which CGT is charged will therefore depend on the level of the Securityholder's taxable income and gains in the relevant tax year.

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

Individual Savings Accounts

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

- (a) the shares of the Issuer or the shares of a company of which the Issuer is a 75 per cent. subsidiary (within the meaning of section 1154 of the Corporation Tax Act 2010 ("**CTA 2010**")) are and remain listed on the official list of a recognised stock exchange within the meaning of section 1005 of the ITA 2007 (a "Recognised Stock Exchange"), or the Securities are and remain so listed; and
- (b) the Issuer is not an "open-ended investment company".

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

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

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

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

Other United Kingdom tax considerations

Transfer of Assets Abroad

The attention of individual Securityholders who are ordinarily resident in the United Kingdom is drawn to the provisions of sections 714 to 751 of ITA 2007 contained in Chapter 2 of Part 13 of ITA 2007 (the

Transfer of Assets Abroad Legislation). Under sections 714 to 751 of ITA 2007, the income accruing to an Issuer may be attributed to such a Securityholder and may (in certain circumstances) be subject to United Kingdom income tax in the hands of the Securityholder. However, under section 737 of ITA 2007, sections 714 to 751 ITA of 2007 will not apply if the Securityholder can satisfy HMRC that either:

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

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

- (A) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Security Transactions or provides advice in relation to any of the Security Transactions would have to be taken into account in determining the purposes for which the Security Transactions were effected;
- (B) for the purposes of (2) above, a Security Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (C) the making and managing of investments can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

Securityholders should note that Finance Act 2013 has introduced a new exception to the provisions, in addition to those described above, for genuine commercial transactions where a tax charge would constitute an unjustified and disproportionate restriction of a freedom protected by EU law.

Transactions in securities

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

- (1) in the case of a Securityholder who is a corporation tax payer:
 - (i) its investment in the Securities was made for bona fide commercial reasons or in the ordinary course of making or managing investments, and
 - (ii) the main object or one of the main objects of the investment in the Securities was not to obtain a corporation tax advantage within the meaning of section 732 of CTA 2010;
- (2) in the case of a Securityholder who is an income tax payer, it is not the case that the main purpose or one of the main purposes of the investment in the Securities was to obtain an income tax advantage within the meaning of section 687 of ITA 2007.

Disguised interest rules

The disguised interest rules may apply to any arrangement which produces a return which is economically equivalent to interest. A return will be treated as economically equivalent to interest if it is a return for the time value of money, paid at a rate reasonably comparable to a commercial rate of interest, where there is no practical likelihood that the return will not be paid.

Such a return may be taxed as income.

Restrictions on allowable losses

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

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

No United Kingdom stamp duty or SDRT is payable on the issue of CDIs or on a transfer of CDIs within CREST if the CDIs are "UK depository interests in foreign securities" for the purposes of the SDRT (UK Depository Interest in Foreign Securities) Regulations 1999.

LUXEMBOURG

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

This description is based on the laws, regulations and applicable tax treaties as in effect in Luxembourg on the date hereof, all of which are subject to change, possibly with retroactive effect. It is not intended to be, nor should it be construed to be, legal or tax advice.

The following summary does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular prospective holder with regard to a decision to purchase, own or dispose of Securities.

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Additionally, a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharges (contributions au fonds pour l'emploi), as well as personal income tax (impôt sur le revenu) generally. Prospective holders may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes.

Corporate income tax, municipal business tax as well as the solidarity surcharge apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding Tax and Self-Applied Tax

Taxation of Luxembourg non-residents

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005 (the "Laws") mentioned below, there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to non-Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by non-Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalised.

Under the Laws, implementing the Council Directive 2003/48/EC of June 3, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax at a rate of 35 per cent. (applicable rate since July 1, 2011) unless the relevant recipient has duly instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

On 18 March 2014, a draft law amending the Laws has been submitted to the Luxembourg parliament (hereinafter the "**Draft Law**"). The Draft Law provides for the abolishment of the 35 per cent. withholding tax applied on interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories. As from 1 January 2015, provided the Draft Law has entered into force, the automatic exchange of information should apply to payments of interest or similar income made or ascribed by a Luxembourg paying agent to or for the immediate benefit of an individual beneficial owner or a residual entity which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories.

Taxation of Luxembourg residents

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "**Law**"), there is no withholding tax to be withheld by the debtor of Securities on payments of principal, premium or arm's length interest (including accrued but unpaid interest) to Luxembourg tax resident holders. Nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg tax resident holders to the extent said Securities do not (i) give entitlement to a share of the profits generated by the issuing company and (ii) the issuing company is not thinly capitalised.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is tax resident of Luxembourg will be subject to a withholding tax of 10 per cent. In case the individual beneficial owner is an individual acting in the course of the management of his/her private wealth, said withholding tax will be in full discharge of income tax. Responsibility for the withholding tax will be assumed by the Luxembourg paying agent. Payments of interest under Securities coming within the scope of the Law would be subject to withholding tax at a rate of 10 per cent.

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

Luxembourg tax residence of the Investors

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

Taxation of Luxembourg non-residents

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

A non-Luxembourg tax resident corporate holder of Securities or a non-Luxembourg tax resident individual holder of Securities acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg to which Securities are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts under Securities and on any gains realised upon sale or disposal, in any form whatsoever, of Securities.

Taxation of Luxembourg residents

A Luxembourg tax resident corporate holder, must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of Securities, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Securities, acting in the course of the management of a professional or business undertaking.

Luxembourg resident corporate Investors which are companies benefiting from a special tax regime (such as family wealth management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010 or specialised investment funds subject to the law of 13 February 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

A Luxembourg tax resident individual holder, acting in the course of the management of his / her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under Securities, except if withholding tax has been levied on such payments in accordance with the Law (as this withholding tax would represent the final tax liability in his/her hands). A gain realised by a Luxembourg tax resident individual holder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Securities is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after Securities were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax (in case it would not have suffered the 10 per cent. withholding tax under the Law).

In addition, pursuant to the Luxembourg law of 17 July 2008 (amending the Luxembourg law of 23 December 2005), Luxembourg tax resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. flat tax on interest payments made after 31 December 2007 by certain paying agents not established in Luxembourg (defined in the same way as in the EC Council Directive 2003/48/EC) i.e., paying agents located in an EU member state other than Luxembourg, a member state of the European Economic Area (i.e., Iceland, Norway and Liechtenstein) or in a state which has concluded an international agreement relating directly to EC Council Directive 2003/48/EC. In case such option is exercised, such interest does not need to be reported in the annual tax return.

Net Wealth tax

Luxembourg net wealth tax will not be levied on a holder of Securities, unless (i) such holder of Notes is a company resident in Luxembourg for the purpose of the relevant legal provisions; or (ii) the Securities are attributable to an enterprise or a part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg. In such a case, the holder of Securities must take the Securities into account for the purposes of Luxembourg wealth tax, except, under certain circumstances, if the holder of Securities is governed by any of the following: (i) the law of 17 December 2010 on undertakings for collective investment; (iii) the law of 22 March 2004 on securitisation; and (iv) the law of 15 June 2004 on the investment company in risk capital and (v) the law of 11 May 2007 on the Société de Gestion de Patrimoine Familial.

Subscription tax

Subscription tax implications may arise (depending on the facts and circumstances) for the following based Luxembourg entities:

- Private family asset holding companies ("*Société de Gestion de Patrimoine Familial*") governed by the law of May 11, 2007;
- Investment funds governed by the law of 17 December, 2010 on UCITS ("*Undertakings for collective investment in transferable securities*");
- Investment funds governed by the law of 13 February, 2007 on SIF ("*Specialized investment funds*").

Other taxes

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

Under Luxembourg tax law, where an individual holder of Securities is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, Securities are included in his/her taxable basis for inheritance tax or estate purposes. Gift tax may be due on a gift or donation of Securities, if embodied in a Luxembourg deed or otherwise registered in Luxembourg.

SWITZERLAND

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

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

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

Swiss Withholding Tax

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

Swiss Value Added Tax ("VAT")

The issue, transfer (i.e., through a sale or a purchase), exercise or redemption of Securities or any income derived therefrom will normally not be subject to Swiss VAT. However, any respective input VAT will correspondingly not be recoverable.

Issue Stamp Tax and Securities Transfer Stamp Tax

According to current Swiss tax law and the present practice of the Swiss Federal Tax Administration, the issue of Securities is not subject to Issue Stamp Tax and Securities Transfer Stamp Tax. The Securities Transfer Stamp Tax is applicable to Securities which, due to specific features, are considered financing instruments, share-like or fund-like products for purposes of Swiss tax law. In this case, a Securities Transfer Stamp Tax of up to 0.3 per cent. of the consideration could be due on secondary market transactions in Securities, if a Swiss securities dealer (*Effekthändler*), as defined in art. 13 para. 3 of the Swiss Federal Act on Stamp Duties (*Stempelabgabengesetz*), is a party to the transaction or acts as an intermediary thereto. This applies likewise for primary market transaction of fund-like instruments which are not issued out of Switzerland. Further, certain exemptions may, *inter alia*, apply with regard to institutional investors such as mutual funds, non-Swiss listed companies and their non-Swiss subsidiaries, non-Swiss life insurance companies and non-Swiss social security institutions.

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

Income Taxation of Non-Swiss tax resident Investors

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

Income Taxation of Securities held by Swiss tax resident Individuals as part of Private Property

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

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

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

Income Taxation of Securities held by Swiss tax resident Individuals or Entities as part of Business Property

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

EU Savings Tax

European Union Directive on the Taxation of Savings Income, Swiss Agreement: The European Union ("EU") adopted a directive on the taxation of savings income in the form of interest payments (European Directive 2003/48/EC of 3 June 2003) (the "**Directive**"). The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise. A number of third countries and territories, including Switzerland, have adopted similar measures to the Directive. On 26 October 2004, the European Community and Switzerland entered into an agreement on the taxation of savings income pursuant to which Switzerland adopted measures equivalent to those of the Directive.

On the basis of this Agreement, Switzerland introduced a withholding tax on interest payments and other similar income paid in Switzerland by a paying agent to an individual resident in an EU Member State ("**EU Withholding Tax**"). The rate of withholding is currently 35 per cent. with the option for such an individual to authorise the paying agent to disclose details of the payments to the tax authorities of the relevant Member State in lieu of the withholding. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding in its country of residence, if any, provided that certain conditions are met.

Final Foreign Withholding Taxes

The Swiss Federal Council signed treaties with the United Kingdom and Austria providing, *inter alia*, for a final withholding tax. The treaties entered into force as of 1 January 2013. According to the treaties, a Swiss paying agent must, *inter alia*, levy a final withholding tax on certain income items, including capital gains, interest and dividends, deriving from assets held on accounts or deposits with a Swiss paying agent, including, as the case may be, Structured Notes and Shares. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting state on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency.

UNITED STATES TAX CONSIDERATIONS FOR INVESTORS

Taxation for Non-U.S. Investors

HIRE ACT/FATCA TAX DISCLOSURE FOR STRUCTURED NOTES ISSUED OUTSIDE THE US CIRCULAR 230 NOTICE. THE FOLLOWING NOTICE IS BASED ON U.S. TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE U.S. INTERNAL REVENUE SERVICE: (1) ANY U.S. FEDERAL TAX ADVICE CONTAINED HEREIN, INCLUDING ANY OPINION OF COUNSEL

REFERRED TO HEREIN, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN (OR IN ANY SUCH OPINION OF COUNSEL); AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Substitute Dividend and Dividend Equivalent Payments

Provisions of the Hiring Incentives to Restore Employment Act (the "**Act**") and regulations thereunder treat a "dividend equivalent" payment as a dividend from sources within the United States. Under the Act, unless reduced by an applicable tax treaty with the United States, such payments generally will be subject to U.S. withholding tax. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" (a "**specified NPC**") that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the U.S. Internal Revenue Service (the "**IRS**") to be substantially similar to a payment described in the preceding clauses (i) and (ii). For payments made before January 1, 2016, the regulations provide that a specified NPC is any NPC if (a) in connection with entering into the contract, any long party to the contract transfers the underlying security to any short party to the contract, (b) in connection with the termination of the contract, any short party to the contract transfers the underlying security to any long party to the contract, (c) the underlying security is not readily tradable on an established securities market, or (d) in connection with entering into the contract, the underlying security is posted as collateral by any short party to the contract with any long party to the contract.

Proposed regulations provide that a dividend equivalent is (i) any payment of a substitute dividend made pursuant to a securities lending or sale-repurchase transaction that references the payment of a dividend from an underlying security, (ii) any payment made pursuant to a specified NPC that references the payment of a dividend from an underlying security, (iii) any payment made pursuant to a specified equity-linked instrument (a "**specified ELI**") that references the payment of a dividend from an underlying security, or (iv) any other substantially similar payment. An underlying security is any interest in an entity taxable as a domestic corporation if a payment with respect to that interest could give rise to a U.S. source dividend. An ELI is a financial instrument (other than a securities lending or sale-repurchase transaction or an NPC) or combination of financial instruments that references one or more underlying securities to determine its value, including a futures contract, forward contract, option, contingent payment debt instrument, or other contractual arrangement. For payments made after December 31, 2015, a specified NPC is any NPC that has a delta of 0.70 or greater with respect to an underlying security at the time of acquisition. A specified ELI is any ELI issued on or after 90 days after the date the proposed regulations are finalised that has a delta of 0.70 or greater with respect to an underlying security at the time of acquisition. The delta of an NPC or ELI is the ratio of the change in the fair market value of the contract to the change in the fair market value of the property referenced by the contract. If an NPC or ELI references more than one underlying security, a separate delta must be determined with respect to each underlying security without taking into account any other underlying security or other property or liability. If an NPC (or ELI) references more than one underlying security, the NPC (or ELI) is a specified NPC (or specified ELI) only with respect to underlying securities for which the NPC (or ELI) has a delta of 0.70 or greater at the time that the long party acquires the NPC (or ELI). The proposed regulations provide an exception for qualified indices that satisfy certain criteria; however, it is not entirely clear how the proposed regulations will apply to Securities that are linked to certain indices or baskets. The proposed regulations provide that a payment includes a dividend equivalent payment whether there is an explicit or implicit reference to a dividend with respect to the underlying security.

Payments or deemed payments on the Securities that are characterised as dividend equivalent payments will be subject to U.S. withholding tax unless reduced by an applicable tax treaty and a properly executed IRS Form W-8 (or other qualifying documentation) is provided. If withholding applies, we will not be required to pay any additional amounts with respect to amounts withheld. An example of a tax treaty that offers such relief in certain circumstances is the Canada-U.S. tax treaty, which generally provides an exemption from income taxation for dividends derived by a trust, company, organisation or other arrangement that is generally exempt from income taxation and operated exclusively to administer or provide pension, retirement or employee benefits, provided that such dividends are not derived from carrying on a trade or business.

The proposed regulations are extremely complex. Securityholders should consult their tax advisors regarding the U.S. federal income tax consequences to them of these proposed regulations and whether payments or deemed payments on the Securities constitute dividend equivalent payments.

Securities Held Through Foreign Entities

Under the Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act ("**FATCA**") and recently finalised regulations, a 30 per cent. withholding tax is imposed on "withholdable payments" and certain "passthru payments" made to "foreign financial institutions" (as defined in the regulations or an applicable intergovernmental agreement) (and their more than 50 per cent. affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution's affiliates) and to annually report certain information about such account. The term "withholdable payments" generally includes (1) payments of fixed or determinable annual or periodical gains, profits, and income ("**FDAP**"), in each case, from sources within the United States, and (2) gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States. "Passthru payments" means any withholdable payment and any foreign passthru payment. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial United States owners) to withhold tax at a rate of 30 per cent. We will treat payments on the Securities as withholdable payments for these purposes.

Withholding under FATCA will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a United States owned foreign entity and the identity of any substantial United States owners of such entity.

Pursuant to the recently finalised regulations described above and IRS Notice 2013-43 and subject to the exceptions described below, FATCA's withholding regime generally will apply to (i) withholdable payments (other than gross proceeds of the type described above) made after June 30, 2014 (other than certain payments made with respect to a "pre-existing obligation," as defined in the regulations); (ii) payments of gross proceeds of the type described above with respect to a sale or disposition occurring after December 31, 2016; and (iii) foreign passthru payments made after the later of December 31, 2016, or the date that final regulations defining the term "foreign passthru payment" are published. Notwithstanding the foregoing, the provisions of FATCA discussed above generally will not apply to (a) any obligation (other than an instrument that is treated as equity for U.S. tax purposes or that lacks a stated expiration or term) that is outstanding on July 1, 2014 (a "grandfathered obligation"); (b) any obligation that produces withholdable payments solely because the obligation is treated as giving rise to a dividend equivalent pursuant to Code section 871(m) and the regulations thereunder that is outstanding at any point prior to six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents; and (c) any agreement requiring a secured party to make payments with respect to collateral securing one or more grandfathered obligations (even if the collateral is not itself a grandfathered obligation). Thus, if you hold your Securities through a foreign financial institution or foreign entity, a portion of any of your payments made after June 30, 2014, may be subject to 30 per cent. withholding.

BAHAMAS

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

EU SAVINGS DIRECTIVE

Under EU Savings Directive, each Member State is required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however for a transitional period, Austria and Luxembourg will instead operate a withholding system in relation to such payments, unless the beneficiary of the interest payments elects for the exchange of information. The end of this transitional period depends on the conclusion of certain other agreements relating to exchange of information with certain other countries. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

A number of non-EU countries, including Switzerland, ("**Third Countries**") and certain dependent or associated territories of certain Member States ("**Dependent and Associated Territories**"), have adopted similar measures in relation to payments of interest or other similar income paid by a paying

agent within its jurisdiction to, or collected by such a person for, an individual resident in another Member State, or certain Third Country or Dependent and Associated Territories.

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

IRELAND

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

The information below relates to Irish taxation and is applicable to Irish domiciled and Irish resident and/or ordinarily resident individuals who are the beneficial owners of Securities and hold the Securities as an investment and does not apply to other categories of taxpayers such as corporates or traders in shares and securities. It is based on Irish tax law and what is understood to be the practice of the Irish Revenue Commissioners, in each case as in effect on the date of this Base Prospectus, which are subject to prospective or retroactive change.

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

Taxation of Capital Gains

Securities issued under this Base Prospectus should be considered to be held on capital account by an Irish individual investor and, as such, should be subject to Irish capital gains tax ("**CGT**") on any gains arising from the disposal of the Securities. An individual who is Irish domiciled and Irish resident and/or ordinarily resident for the year of assessment that the sale or redemption relates to is taxed on their worldwide gains regardless of whether the gain is remitted to Ireland or not.

The capital gain on which CGT applies is calculated as the difference between the amount received by the Securityholder on sale or redemption of the Security and the original base cost of the Security. Adjustment is made for allowable costs in relation to purchase and disposal. For instance, any fees or commission may form part of the acquisition cost of the asset. There is no adjustment for inflation relief or tapering for longer held gains in the calculation of the capital gain or the tax rate.

Under current legislation, the rate of CGT to be applied to such gains is 33%. The annual "small gain" exemption for individuals is currently €1,270.

Irish CGT is calculated in Euro. Where the Security is denominated in a currency other than Euro, the asset is converted to Euro at the spot rate on the date of acquisition and date of disposal and tax is calculated on that Euro gain.

Capital losses incurred by individual Securityholders may be offset against chargeable gains arising in the same year of assessment. Where any such loss cannot be utilised in the year of assessment it can generally be carried forward for offset against future gains without time limit.

Other Irish Tax Issues

Offshore Fund Rules

The Irish Offshore fund rules contained within Sections 740 – 747G TCA 1997 should not apply to the Securities on the basis that the Securities are treated as located in an OECD State (in this case Switzerland) with which Ireland has a double tax agreement and Credit Suisse AG is not:

- A UCITS
- An entity similar in all material respects to an Irish authorised investment company, or
- An entity similar in all material respects to an authorised unit trust scheme.

Transfer of Assets Abroad

Section 806 of the Taxes Consolidations Act ("**TCA**") 1997 imposes a charge to income tax on income generated by assets which were transferred out of Ireland by an Irish resident individual to a non-resident company or trust. The effect of the section is that certain income accruing to the non-resident company or trust may be attributed to the Irish securityholder, upon which the securityholder may be subject to Irish income tax. This should not apply to the investment in the Securities at hand.

Stamp Duty

No Irish Stamp Duty should be payable on the issue of Securities or on a transfer or sale of such Securities for cash on the basis that the Securities will either be in bearer form or, if registered, should qualify for an exemption under Section 88 of the Stamp Duties Consolidations Act ("**SDCA**") 1999 as "marketable securities" of a company not registered in Ireland. The redemption of the Securities, either in bearer form or registered, should not come within the charge to Irish Stamp Duty.

Capital Acquisitions Tax ("CAT**")**

Irish CAT is a tax payable by the recipient of gifts or inheritances. The purchase and sale of the Securities at market value should not give rise to a liability to CAT, as this would not constitute a gift. If a Securityholder acquires the Securities as an inheritance or as a gift for less than market value, CAT may apply.

Irish Encashment Tax

Irish encashment tax may be required to be withheld at the standard rate (currently 20 per cent.) from certain interest and annual payments paid in respect of any securities where such payments are paid or collected by a person in Ireland on behalf of any holder. Encashment tax should not apply to the capital gain, if any, on the Securities.

Withholding Tax

Irish withholding tax on interest and annual payments should not apply to the Securities. Similarly, Deposit Interest Retention Tax ("**DIRT**") should also not apply to the Securities.

There should be no Irish disclosure requirement or Irish requirement to operate withholding tax under the EU Savings Directive on payments made in respect of the Securities.

Reporting requirements

An Irish resident individual must disclose the acquisition of a chargeable asset in their annual income tax return (Form 11) for the year of assessment in which the acquisition is made. Therefore the acquisition of the Securities should require disclosure for the Securityholders. This disclosure should be made in Section M - Panel 818 (h) of the Form 11, where the details of chargeable assets in addition to the consideration paid for those assets must be returned.

Any subsequent disposal of the Securities by the Securityholders should also be disclosed in the Form 11. The relevant section is Section L, under which the Securityholder must disclose information including; the details of chargeable assets, the consideration received, details of chargeable gains/losses arising in addition to information in respect of claims to reliefs.

There should not be an obligation to disclose the holdings to the Revenue elsewhere on the Form 11 or separately.

PROPOSED FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission published its detailed proposal for a common financial transaction tax ("**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (the "**FTT Member States**").

The proposed FTT has very broad scope and, if introduced in its current form, could apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. The FTT would impose a charge at generally not less than 0.1 per cent. of the sale price on such transactions. However, the effective rate will be higher as each financial institution party is separately liable for the tax, so transactions between two financial parties will be taxed twice. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt, although there is some uncertainty as to the intended scope of this exemption.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the FTT Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a FTT Member State. A financial institution may be, or be deemed to be, "established" in a FTT Member State in a broad range of circumstances, including (a) by transacting with a person established in a FTT Member State or (b) where the financial instrument which is subject to the dealings is issued in a FTT Member State.

Ministers of the FTT Member States (other than Slovenia) announced in a statement to the Economic and Financial Affairs Council on 6 May 2014 that there would be a progressive implementation of the FTT. That progressive implementation would first focus on the taxation of shares and some derivatives, with the first step being implemented on or before 1 January 2016. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to any implementation. The actual implementation date would depend on the future approval of the European Council and consultation of other EU institutions, and the subsequent transposition into local law. Additional EU Member States may decide to participate. If the proposed directive (or similar tax) is adopted, transactions in the Securities would, in certain circumstances, be subject to higher transaction costs, and the liquidity of the market for the Securities may diminish.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

OFFERS

An investor intending to acquire or acquiring any Securities from any person (an "**Offeror**") will do so, and offers and sales of the Securities to an investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the relevant Dealer will be a party to any such arrangements with investors (except where the Issuer or the relevant Dealer is itself the relevant Offeror) and, accordingly, this Base Prospectus and any relevant Final Terms (or, in the case of Exempt Securities, any relevant Pricing Supplement) may not contain such information and, in such case, an investor must obtain such information from the relevant Offeror. Investors should however note the following:

Amount of the offer

The nominal amount or number of Securities subject to the offer may be specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement). If the nominal amount or number of Securities subject to the offer is not specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement), the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) may specify that it will be determined on the basis of the demand for the Securities and prevailing market conditions and (other than in the case of Exempt Securities) be published in accordance with Article 8 of the Prospectus Directive.

Offer Price

If pertinent, the offer price per Security may either (a) be specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) or (b) if the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) so specify, be determined on the basis of the prevailing market conditions on or around the date specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement) in which event it will not be greater than the maximum price specified in the relevant Final Terms and (other than in the case of Exempt Securities) will be published in accordance with Article 8 of the Prospectus Directive.

Publication of a Supplement

If the Issuer publishes a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive which relates to the Issuer or the Securities, investors who have already agreed to purchase Securities (other than Exempt Securities) before the supplement is published shall have the right to withdraw their acceptances by informing the relevant Distributor in writing within 2 working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement. The terms and conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.

SELLING RESTRICTIONS

GENERAL

Except as set out in this Base Prospectus or the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement), no action has been or will be taken that would permit a public offering of the Securities or possession or distribution of any offering material in relation to the Securities in any jurisdiction where action for that purpose is required.

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

UNITED STATES

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

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

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

UNITED KINGDOM

Each Dealer represents, warrants and agrees that:

- (a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which section 21(1) of FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
- (b) *General compliance*: it has complied and will comply with all applicable provisions of FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (c) *Commissions and fees*:
 - (i) if it is distributing Securities that are "retail investment products" (as such term is defined in the Financial Conduct Authority Handbook) into the United Kingdom and it is entitled to receive any commission or fee from the Issuer, it will not transfer any part of that commission or fee to any third party who may advise retail investors to purchase a Security that is a retail investment product; or
 - (ii) if it is authorised and regulated by the Financial Conduct Authority to provide investment advice to retail investors in the United Kingdom and it is providing advice to retail investors in respect of a Security that is a retail investment product, it undertakes not to request any commission or fee from the Issuer and to otherwise reject any such payment offered to it other than in circumstances where the Issuer has agreed to facilitate the payment of an adviser fee and has the express consent of the retail investor(s) to do so.

EUROPEAN ECONOMIC AREA

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

- (a) if the final terms or drawdown prospectus in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus, if not a drawdown prospectus, has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in the drawdown prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

Each Dealer has represented and agreed, and each further Dealer appointed under this Programme will be required to represent and agree that, in relation to any offering of Securities for which the Markets in Financial Instrument Directive 2004/39/EC, as amended ("**MiFID**") applies, any commission or fee received from the Issuer complies with the applicable rules set out in MiFID.

BAHAMAS

This Base Prospectus has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt such offer from the filing of a prospectus with the Securities Commission of The Bahamas under the Securities Industries Act, 2011, and in the circumstances, no offer or sale of the Securities can occur in The Bahamas.

The Issuer and each Dealer associated with the offer agrees that it has not, and will not, offer or sell any of the Securities in The Bahamas except in compliance with applicable Bahamian laws or pursuant to an exemption therefrom.

IRELAND

Each Dealer represents and agrees that:

- (a) it will not underwrite the issue of, or place the Securities, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (MiFID Regulations), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended);

- (b) it will not underwrite the issue of, or place, the Securities, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 to 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Irish Central Bank Act, 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Securities otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank; and
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Securities, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank.

SWITZERLAND

Where no Swiss simplified prospectus is in place, the Securities may only be distributed as a private placement and may not be distributed in or from Switzerland in the meaning of article 3 of the Collective Investment Schemes Act ("**CISA**"), except to qualified investors as defined in the CISA (article 10 CISA) and the Collective Investment Schemes Ordinance ("**CISO**") (article 6 CISO), and only in compliance with all other applicable laws and regulations.

GENERAL INFORMATION

1. **Approval and passporting for the purposes of the Prospectus Directive:** Application has been made to the CSSF in its capacity as the Luxembourg competent authority under the Luxembourg Prospectus Law. This Base Prospectus constitutes a base prospectus under the Programme for the purposes of Article 5.4 of the Prospectus Directive.

The Issuer has requested the CSSF to provide the competent authorities for the purposes of the Prospectus Directive in the United Kingdom and Ireland with a certificate of approval in accordance with Article 18 of the Prospectus Directive attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive. The Issuer may also make applications for a certificate of approval to be issued by the CSSF to the competent authority in one or more other Member States, in which case the Issuer will publish a supplement to this Base Prospectus.

Pursuant to article 7(7) of the Luxembourg Prospectus Law, by approving this Base Prospectus, the CSSF shall give no undertaking as to the economic and financial soundness of the operations or the quality or solvency of the Issuer.

2. **Listing and admission to trading:** Securities issued by the Issuer may (a) be listed and admitted to trading on a regulated market(s) for the purposes of Directive 2004/39/EC on Markets in Financial Instruments, (b) be listed on a market not regulated for such purpose, or (c) not be listed on any market, in each case as shall be specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement). In relation to any Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, application has been made to the Luxembourg Stock Exchange for such Securities to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (which is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments) for the period of 12 months from the date of this Base Prospectus.
3. **Responsibility Statement:** The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus and any Final Terms is in accordance with the facts and contains no omission likely to affect the import of such information. The information (the "**Preference Share Information**") in respect of Andrea Investments Jersey PCC (the "**Preference Share Company**") and the preference shares issued by the relevant Preference Share Issuer (the "**Preference Shares**") has been extracted from the Principal Memorandum of the Preference Share Issuer dated 15 October 2014 (the "**Principal Memorandum**"). The Issuer confirms that the Preference Share Information has been accurately reproduced and that, so far as it is aware and able to ascertain from the Principal Memorandum, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

The Issuer will not be providing any post issuance information in relation to the Securities. Where required pursuant to Article 16 of the Prospectus Directive and article 13 of the Luxembourg Prospectus Law, the Issuer will publish a supplement to this Base Prospectus.

4. **Consent to use this Base Prospectus:** If so specified in the relevant Final Terms in respect of any particular issuance of Securities, the Issuer consents to the use of this Base Prospectus in connection with the making of an offer of the Securities to the public requiring the prior publication of a prospectus under the Prospectus Directive (a "**Non-exempt Offer**") (a) by the financial intermediary/ies (each, an "**Authorised Offeror**"), (b) during the offer period, in the relevant Member State(s) and (c) subject to the relevant conditions, in each case as specified in the relevant Final Terms.

The consent shall be valid in relation to Luxembourg and each other Member State the competent authority of which has been provided with a certificate of approval by the competent authority in relation to this Base Prospectus under Article 18 of the Prospectus Directive, provided that it shall be a condition of such consent that this Base Prospectus may only be used by the relevant Authorised Offeror(s) to make offers of the relevant Securities in the jurisdiction(s) in which the Non-exempt Offer is to take place, as specified in the relevant Final Terms.

The Issuer may (a) give consent to one or more additional Authorised Offerors after the date of the relevant Final Terms, (b) discontinue or change the offer period, and/or (c) remove or add conditions and, if it does so, such information in relation to the relevant Securities will be published on www.bourse.lu. The consent relates only to offer periods occurring within 12 months from the date of this Base Prospectus.

The Issuer accepts responsibility for the content of this Base Prospectus in relation to any person (an "**Investor**") purchasing Securities pursuant to a Non-exempt Offer where the offer to the Investor is made (a) by an Authorised Offeror (or the Issuer or any Dealer), (b) in a Member State for which the Issuer has given its consent, (c) during the offer period for which the consent is given and (d) in compliance with the other conditions attached to the giving of the consent. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

Other than in accordance with the terms set forth in the paragraph above, the Issuer has not authorised (and nor has any Dealer) the making of any Non-exempt Offers of the Securities or the use of this Base Prospectus by any person. No financial intermediary or any other person is permitted to use this Base Prospectus in connection with any offer of the Securities in any other circumstances. Any such offers are not made on behalf of the Issuer (or any Dealer) and neither the Issuer nor any Dealer has any responsibility or liability to any investor purchasing Securities pursuant to such offer or for the actions of any person making such offer.

Investors intending to purchase Securities from an Authorised Offeror will do so, and such offer and sale will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and the Investor, including as to price and settlement arrangements. The Issuer will not be a party to any such arrangements and, accordingly, this Base Prospectus does not contain such information. The terms and conditions of such offer should be provided to the Investor by that Authorised Offeror at the time the offer is made. Neither of the Issuer nor any Dealer has any responsibility or liability for such information.

5. **Fungible Issuances:**

- (a) In the case of any issue of Securities under the Programme which is to be consolidated and form a single Series with an existing Series of Securities the first tranche of which was issued on or after 22 August 2013 and prior to 25 August 2014 or for the purpose of any other Series of Securities in respect of which the applicable Final Terms provide that terms and conditions of the securities from the 2013 Base Prospectus apply, such Securities will be documented using the Form of Final Terms from the 2013 Base Prospectus (the "**2013 Form of Final Terms**") (which is incorporated by reference into this Base Prospectus), save that the first paragraph under the section entitled "PART A – CONTRACTUAL TERMS" of the 2013 Form of Final Terms shall be deleted and replaced with the following:

"Terms used herein shall have the same meaning as in the General Note Conditions and the Product Conditions set forth in the Base Prospectus dated 22 August 2013 as supplemented on 9 September 2013 (the "**Original Base Prospectus**"). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 5 December 2014 (the "**Base Prospectus**") and any supplements to the Base Prospectus which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. A Summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus (as supplemented), save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. The Base Prospectus, the Original Base Prospectus and any supplements to the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein."; and

- (b) in the case of any issue of Securities under the Programme which is to be consolidated and form a single Series with an existing Series of Securities the first tranche of which was issued on or after 25 August 2014 and prior to the date of this Base Prospectus or for the purpose of any other Series of Securities in respect of which the applicable Final Terms provide that terms and conditions of the securities from the 25 August 2014 Base Prospectus apply, such Securities will be documented using the Form of Final Terms from the 25 August 2014 Base Prospectus (the **"25 August 2014 Form of Final Terms"**) (which is incorporated by reference into this Base Prospectus), save that the first paragraph under the section entitled "PART A – CONTRACTUAL TERMS" of the 25 August 2014 Form of Final Terms shall be deleted and replaced with the following:

"Terms used herein shall have the same meaning as in the General Note Conditions and the Product Conditions set forth in the Base Prospectus dated 25 August 2014 (the **"Original Base Prospectus"**). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the base prospectus dated 5 December 2014 (the **"Base Prospectus"**) and any supplements to the Base Prospectus which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. A Summary of the Securities (which comprises the Summary in the Base Prospectus as amended to reflect the provisions of the Final Terms) is annexed to these Final Terms. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Base Prospectus (as supplemented), save in respect of the General Note Conditions and the Product Conditions which are extracted from the Original Base Prospectus and which are incorporated by reference into the Base Prospectus. The Base Prospectus, the Original Base Prospectus and any supplements to the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributor(s) and Agents specified herein."

6. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The Programme is established and Securities will be issued in accordance with the Organisational Guideline and Regulation of Credit Suisse AG dated 8 May 2014. No specific resolution of the Board of Directors of Credit Suisse AG is required.
7. There has been no material adverse change in the prospects of Credit Suisse AG since 31 December 2013 except as disclosed in the Form 6-K Dated 19 May 2014. There has been no significant change in the financial position of Credit Suisse AG and its consolidated subsidiaries since 30 June 2014.
8. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for its current financial year.
9. Save as disclosed in the paragraph entitled "Legal and Arbitration Proceedings" in the section headed "Credit Suisse AG" on page 117 herein, Credit Suisse AG is not involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on its financial position or profitability or that of Credit Suisse AG and its consolidated subsidiaries. Nor, to the best of the knowledge and belief of Credit Suisse AG, are any such proceedings pending or threatened.
10. Copies of the Agency Agreement and Deed of Covenant will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, copies of the following will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of the Issuer:
- (a) the Memorandum and Articles of Association of the Issuer;
 - (b) the audited accounts of the Issuer for the last two years;
 - (c) each Final Terms and Pricing Supplement (save that the Final Terms or Pricing Supplement relating to a Security which is neither admitted to trading on a regulated market within the European Economic Area nor offered to the public in the European Economic Area in circumstances where a prospectus is required to be published

under the Prospectus Directive will only be available for inspection by a holder of the relevant Security and such holder must produce evidence satisfactory to the Issuer as to its holding of Securities and identity);

- (d) a copy of this Base Prospectus together with any supplement to this Base Prospectus; and
 - (e) a copy of any document incorporated by reference in this Base Prospectus.
11. KPMG AG, Badenerstrasse 172, 8004 Zurich, Switzerland, have audited the accounts of Credit Suisse AG. KPMG AG is a member of the Swiss Institute of Certified Accountants and tax consultants.
12. The Securities may be accepted for clearance through the following clearing systems (which are the entities in charge of keeping the relevant records) as specified in the relevant Final Terms (or, in the case of Exempt Securities, the relevant Pricing Supplement):
- (a) Euroclear Bank S.A./N.V. (1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium); and
 - (b) Clearstream Banking, société anonyme, Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg).
13. Credit Suisse AG's registered head office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland and the telephone number is +41 44 333 11 11. The London branch is located at One Cabot Square, London E14 4QJ, England and the telephone number is +44 207 888 8888. The Nassau branch is located at Bahamas Financial Centre, 4th Floor, Shirley & Charlotte Streets, Nassau, The Bahamas and the telephone number is +1 242 356 8100.