

## ISSUER'S EARLY REDEMPTION NOTICE

### THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

**DATED: 14 November 2018**

**Up to 1,500,000 Credit Suisse IRIS Balanced Certificates issued by Credit Suisse AG acting through its Guernsey Branch (the "Issuer") (ISIN: CH0035956694; WKN: A0SN3Y; Valor: 3595669) (the "Certificates")**

We refer to the terms and conditions of the Certificates (the "**Terms and Conditions**") as set out in the prospectus in respect of the Certificates dated 20 February 2018. All terms and expressions used but not defined in this notice of the occurrence of a PIK Event and Issuer's early redemption notice (this "**Notice**") shall have the meanings attributed to them in the Terms and Conditions.

### EXECUTIVE SUMMARY

The Issuer has decided to exercise its Issuer's Redemption Right pursuant to § 2(1) (*Issuer's Early Redemption Option*) of the Terms and Conditions to redeem all (but not some only) of the Certificates which are outstanding as at 31 December 2018. In accordance with § 7(1) (*PIK Event and PIK Certificates*) of the Terms and Conditions, the Issuer will pay the Redemption Amount in respect of the Certificates partly in cash and partly by issuing and delivering PIK Certificates. The issuer will not pay the entirety of the Redemption Amount in cash, because a number of investments of the IRIS Balanced Cell of Managed Investments PCC Limited, Guernsey remain in side pockets, mainly due to the financial impact of the hurricanes Harvey, Irma and Maria in August and September 2017 on the liquidity of such investments. The Issuer intends to redeem the PIK Certificates and to pay the redemption proceeds in respect of the PIK Certificates in cash over time, as and when such investments regain liquidity. The Issuer expects that the PIK Certificates will be redeemed by way of several cash payments in 2019, but also thereafter. However, the Issuer can offer no assurance as to the amount and the timing of such cash payments.

If you have any questions in connection with this Notice, please contact your relationship manager or distribution partner or please refer to the website of Credit Suisse AG ([www.credit-suisse.com/zertifikate](http://www.credit-suisse.com/zertifikate)).

This executive summary is intended as a non-binding and high-level summary and explanation of the contents of this Notice. Please note that this executive summary should be read together with (and is subject to the detailed provisions in) the main body of this Notice.

### NOTICE

NOTICE IS HEREBY GIVEN that:

1. The Issuer refers to the Issuer's notice to the Certificate Holders of 23 February 2018 (the "**Adjustment Notice**"), by which the Issuer notified the Certificate Holders of the occurrence of an Adjustment Event and the corresponding amendments to the Terms and Conditions of the Certificates in accordance with § 6 (*Adjustments; Substitute Share*).

2. In connection with the events and circumstances described in the Adjustment Notice, in the Issuer's reasonable determination:
  - a. one or more side pockets have been created by the Company in or in connection with the Cell and, as a result thereof, a number of Shares have been cancelled; and
  - b. a Hypothetical Investor in the Shares would, as a result thereof, receive a corresponding number of S Shares from a new series of S Shares,

and, accordingly, a PIK Event has occurred in respect of the Certificates within the meaning of § 7(2) (*PIK Event and PIK Certificates*) of the Terms and Conditions.

Further, NOTICE IS HEREBY GIVEN under § 2 (*Issuer's Early Redemption Option*) of the Terms and Conditions that:

3. The Issuer hereby exercises the Issuer's Redemption Right pursuant to § 2(1) (*Issuer's Early Redemption Option*) of the Terms and Conditions to redeem all (but not some only) of the Certificates which are outstanding as at 31 December 2018.
4. The Issuer hereby notifies the Certificate Holders that the Valuation Date<sup>(Relevant)</sup> falling on 31 December 2018 shall be the Redemption Date in respect of such redemption of all of the Certificates outstanding as at 31 December 2018.
5. Pursuant to § 2(1) (*Issuer's Early Redemption Option*), following the exercise of the Issuer's Redemption Right, the Issuer shall redeem each Certificate at its Redemption Amount, subject to the Issuer's right under § 7(1) (*PIK Event and PIK Certificates*) to substitute in full or in part the payment of the Redemption Amount with the delivery of an appropriate number of PIK Certificates.
6. Pursuant to § 7(1) (*PIK Event and PIK Certificates*) of the Terms and Conditions, following the occurrence of a PIK Event, in connection with a redemption of the Certificates including, without limitation, following an exercise of the Issuer's Redemption Right, the Issuer is entitled to substitute the payment of the Redemption Amount in respect of each Certificate with a combination of a cash payment(s) and the delivery of an appropriate number of PIK Certificates.
7. For the purposes of such substitution the sum of:
  - a. the aggregate EUR value of the cash payment(s) made by the Issuer (if any) per Certificate; and
  - b. the aggregate EUR value of the PIK Certificate(s) delivered by the Issuer per Certificate,

shall equal the Redemption Amount in respect of each Certificate which would have been due to each Certificate Holder (for the avoidance of doubt, but for § 7(1) (*PIK Event and PIK Certificates*)). The determinations of the EUR value of the cash payment(s) made by the Issuer, the PIK Certificate(s) delivered by the Issuer and the Redemption Amount shall be made by the Calculation Agent in its reasonable discretion (§ 317 of the German Civil Code).

8. The Issuer notes that, as described in Paragraph 2, a PIK Event has occurred in respect of the Certificates.
9. Accordingly, the Issuer hereby further notifies the Certificate Holders that, in connection with its exercise of the Issuer's Redemption Right pursuant to § 2(1) (*Issuer's Early Redemption Option*) of the Terms and Conditions in respect of all of the Certificates outstanding as at 31 December 2018, in accordance with § 7(1) (*PIK Event and PIK Certificates*), it will substitute in part the payment of the Redemption Amount per Certificate with a combination of a cash payment and the delivery of one PIK Certificate (for the avoidance of doubt, one PIK Certificate for each Certificate).
10. The Issuer shall make the cash payments and issue and deliver the PIK Certificates referred to in Paragraph 9 above on or before the Settlement Date falling on 14 February 2019 (the "**Issue Date**"), being the forty-fifth (45<sup>th</sup>) calendar day after the Redemption Date referred to in Paragraph 4 above.
11. The PIK Certificates shall be bearer instruments of indebtedness (*Inhaberschuldverschreibungen*) issued by the Issuer under German law and represented by a permanent global bearer certificate deposited for clearing and settlement with the Clearing Agent, which mirror the position of a Hypothetical Investor in the relevant S Shares issued in connection with the PIK Event referred to in Paragraph 8 above. The form of the terms and conditions of the PIK Certificates shall be substantially as set out in Schedule 1 (*Terms and Conditions of the PIK Certificates*) to this Notice (the "**PIK Certificates Terms and Conditions**").
12. Notwithstanding Paragraph 11 above, the Issuer reserves its right to make such amendments to the PIK Certificates Terms and Conditions as it considers necessary or appropriate in its reasonable discretion (§ 317 of the German Civil Code), either:
  - a. following the occurrence of any further PIK Events; or
  - b. to reflect the redemption or otherwise cancellation or termination of any S Shares,in each case, from (and including) the date of this Notice to (but excluding) the Issue Date.
13. Copies of this Notice (including the PIK Certificates Terms and Conditions attached hereto) and the Adjustment Notice (including the Amended Terms and Conditions attached thereto) shall be available on the website of Credit Suisse AG ([www.credit-suisse.com/zertifikate](http://www.credit-suisse.com/zertifikate)).

This Notice is governed by and shall be construed in accordance with German law.

This Notice is given by the Issuer.

If you have any questions in connection with this Notice, please contact your relationship manager or distribution partner or please refer to the website of Credit Suisse AG ([www.credit-suisse.com/zertifikate](http://www.credit-suisse.com/zertifikate)).

**VON DER EMITTENTIN HERAUSGEGEBENE MITTEILUNG EINER  
VORZEITIGEN RÜCKZAHLUNG**

**DIESE MITTEILUNG IST WICHTIG UND ERFORDERT IHRE SOFORTIGE  
AUFMERKSAMKEIT**

**DATUM: 14. November 2018**

**Bis zu 1.500.000 von der Credit Suisse AG, handelnd über ihre Zweigstelle in Guernsey, ausgegebene Credit Suisse IRIS Balanced Zertifikate (die "Emittentin") (ISIN: CH0035956694; WKN: A0SN3Y; Valorennummer: 3595669) ("Zertifikate")**

Wir verweisen auf die im Prospekt in Bezug auf die Zertifikate enthaltenen Zertifikatebedingungen ("**Zertifikatebedingungen**") vom 20. Februar 2018. Sämtliche in dieser Mitteilung des Eintritts eines PIK Ereignisses (*PIK Event*) und einer Mitteilung einer vorzeitigen Rückzahlung durch die Emittentin ("**Mitteilung**") verwendeten, jedoch nicht definierten Begriffe und Wendungen haben die ihnen in den Zertifikatebedingungen zugewiesene Bedeutung.

**ZUSAMMENFASSUNG**

Die Emittentin übt hiermit das Rückzahlungsrecht der Emittentin (*Issuer's Redemption Right*) gemäß § 2(1) (*Option einer vorzeitigen Rückzahlung der Emittentin*) der Zertifikatebedingungen zur Rückzahlung sämtlicher (und nicht nur einiger) Zertifikate aus, die am 31. Dezember 2018 im Umlauf sind. Gemäß § 7(1) (*PIK Ereignis und PIK Zertifikate*) der Zertifikatebedingungen wird die Emittentin den Rückzahlungsbetrag (*Redemption Amount*) im Hinblick auf die Zertifikate teilweise bar und teilweise durch Emission und Lieferung von PIK Zertifikaten (*PIK Certificates*) zahlen. Die Emittentin wird nicht den gesamten Rückzahlungsbetrag (*Redemption Amount*) in bar bezahlen, weil eine Anzahl von Investments der IRIS Balanced Cell der Managed Investments PCC Limited, Guernsey in *side pockets* verbleiben, hauptsächlich auf Grund der finanziellen Auswirkungen der Hurrikane Harvey, Irma und Maria im August und September 2017 auf die Liquidität dieser Investments. Die Emittentin beabsichtigt die PIK Zertifikate (*PIK Certificates*) zurückzuzahlen und die Rückzahlungserlöse im Hinblick auf die PIK Zertifikate (*PIK Certificates*) in bar im Laufe der Zeit und wenn diese Investments wieder liquide werden zu zahlen. Die Emittentin erwartet, dass die PIK Zertifikate (*PIK Certificates*) im Wege mehrerer Barzahlungen in 2019 oder auch später zurückgezahlt werden. Jedoch kann die Emittentin im Hinblick auf den Betrag und die Zeit solche Barzahlungen keine Gewähr bieten.

Sollten Sie Fragen im Zusammenhang mit dieser Mitteilung haben, bitte kontaktieren Sie Ihren Relationship Manager oder Vertriebspartner oder informieren Sie sich bitte auf der Website der Credit Suisse AG ([www.credit-suisse.com/zertifikate](http://www.credit-suisse.com/zertifikate)).

Diese Zusammenfassung soll eine nicht verbindliche und überblicksartige Zusammenfassung und Erklärung dieser Mitteilung sein. Bitte beachten Sie, dass diese Zusammenfassung

zusammen mit dem Hauptteil dieser Mitteilung gelesen werden sollte (und den detaillierten Vorschriften dieses Hauptteils unterliegt).

## MITTEILUNG

HIERMIT WIRD DAS FOLGENDE MITGETEILT:

1. Die Emittentin verweist auf ihre Mitteilung an die Zertifikateinhaber (*Certificate Holders*) vom 23. Februar 2018 ("**Anpassungsmitteilung**"), mit der die Emittentin den Zertifikateinhabern (*Certificate Holders*) den Eintritt eines Anpassungsereignisses (*Adjustment Event*) und die entsprechende Änderung der Zertifikatebedingungen gemäß § 6 (*Anpassung; Ersatzanteil*) mitgeteilt hat.
2. In Verbindung mit den in einer Anpassungsmitteilung beschriebenen Ereignissen und Umständen hat die Emittentin in angemessener Weise festgestellt, dass
  - a. von der Gesellschaft (*Company*) in der Zelle (*Cell*) oder im Zusammenhang mit dieser *side pockets* gebildet worden sind und infolgedessen eine Anzahl von Anteilen (*Shares*) eingezogen worden ist; und
  - b. dass ein Hypothetischer Anleger (*Hypothetical Investor*) in die Anteile (*Shares*) deshalb eine entsprechende Anzahl von S Anteilen (*S Shares*) aus einer neuen Serie von S Anteilen (*S Shares*) erhalten würde,

und, folglich, im Hinblick auf die Zertifikate im Sinne von § 7(2) (*PIK Ereignis und PIK Zertifikate*) der Zertifikatebedingungen ein PIK Ereignis (*PIK Event*) eingetreten ist.

Darüber hinaus wird gemäß § 2 (*Option einer vorzeitigen Rückzahlung der Emittentin*) der Zertifikatebedingungen DAS FOLGENDE MITGETEILT:

3. Die Emittentin übt hiermit das Rückzahlungsrecht der Emittentin (*Issuer's Redemption Right*) gemäß § 2(1) (*Option einer vorzeitigen Rückzahlung der Emittentin*) der Zertifikatebedingungen zur Rückzahlung sämtlicher (und nicht nur einiger) Zertifikate aus, die am 31. Dezember 2018 im Umlauf sind.
4. Die Emittentin teilt den Zertifikateinhabern (*Certificate Holders*) hiermit mit, dass der auf den 31. Dezember 2018 fallende (Jeweilige) Bewertungstag (*Valuation Date<sup>(Relevant)</sup>*) der Rückzahlungstag (*Redemption Date*) im Hinblick auf die Rückzahlung sämtlicher Zertifikate ist, die am 31. Dezember 2018 im Umlauf sind.
5. Gemäß § 2(1) (*Option einer vorzeitigen Rückzahlung der Emittentin*) wird die Emittentin nach Ausübung des Rückzahlungsrechts der Emittentin (*Issuer's Redemption Right*) - vorbehaltlich des Rechts der Emittentin gemäß § 7(1) (*PIK Ereignis und PIK Zertifikate*), die Zahlung des Rückzahlungsbetrags (*Redemption Amount*) ganz oder teilweise durch die Lieferung einer entsprechenden Anzahl von PIK Zertifikaten (*PIK Certificates*) zu ersetzen - jedes Zertifikat zu seinem Rückzahlungsbetrag (*Redemption Amount*) zurückzahlen.
6. Gemäß § 7(1) (*PIK Ereignis und PIK Zertifikate*) der Zertifikatebedingungen ist die Emittentin nach Eintritt eines PIK Ereignisses (*PIK Event*) im Zusammenhang mit der Rückzahlung der Zertifikate - wie auch insbesondere nach der Ausübung des

Rückzahlungsrechts der Emittentin (*Issuer's Redemption Right*) - berechtigt, die Rückzahlung des Rückzahlungsbetrags (*Redemption Amount*) im Hinblick auf jedes Zertifikat durch eine Kombination von Zahlung(en) eines Barbetrags und der Lieferung einer entsprechenden Anzahl von PIK Zertifikaten (*PIK Certificates*) zu ersetzen.

7. Für die Zwecke einer solchen Ersetzung müssen

- a. der Gesamtwert in EUR der von der Emittentin (ggf.) für jedes Zertifikat getätigten Barzahlung(en); sowie
- b. der Gesamtwert in EUR der von der Emittentin für jedes Zertifikat gelieferten PIK Zertifikate (*PIK Certificate(s)*)

dem Rückzahlungsbetrag (*Redemption Amount*) im Hinblick auf jedes Zertifikat entsprechen, der an jeden Zertifikateinhaber (*Certificate Holder*) zahlbar gewesen wäre (zur Klarstellung wird insoweit auf die Geltung von § 7(1) (*PIK Ereignis und PIK Zertifikate*) verwiesen). Der Wert in EUR der von der Emittentin zu tätigenen Barzahlung(en), die von der Emittentin zu liefernden PIK Zertifikate (*PIK Certificates*) und der Rückzahlungsbetrag (*Redemption Amount*) sind von der Berechnungsstelle (*Calculation Agent*) nach deren billigem Ermessen zu ermitteln (§ 317 BGB).

8. Die Emittentin teilt mit, dass, wie in Absatz 2 beschrieben, im Hinblick auf die Zertifikate ein PIK Ereignis (*PIK Event*) eingetreten ist.
9. Entsprechend teilt die Emittentin den Zertifikateinhabern (*Certificate Holders*) hiermit mit, dass sie im Zusammenhang mit ihrer Ausübung des Rückzahlungsrechts der Emittentin (*Issuer's Redemption Right*) gemäß § 2(1) (*Option einer vorzeitigen Rückzahlung der Emittentin*) der Zertifikatsbedingungen im Hinblick auf sämtliche Zertifikate, die am 31. Dezember 2018 im Umlauf sind, gemäß § 7(1) (*PIK Ereignis und PIK Zertifikate*) die Zahlung des Rückzahlungsbetrags (*Redemption Amount*) für jedes Zertifikat teilweise durch eine Kombination von Barzahlung und der Lieferung eines PIK Zertifikates (*PIK Certificate*) (zur Klarstellung sei erwähnt, dass hier die Lieferung eines PIK Zertifikates (*PIK Certificate*) für jedes Zertifikat gemeint ist) ersetzen wird.
10. Bis zu dem auf den 14. Februar 2019 fallenden Abwicklungstag (*Settlement Date*) ("**Ausgabetag**"), bei dem es sich um den fünfundvierzigsten (45.) Tag nach dem in Absatz 4 genannten Rückzahlungstag (*Redemption Date*) handelt, wird die Emittentin die in Absatz 9 oben beschriebenen Barzahlungen tätigen bzw. die dort bezeichneten PIK Zertifikate (*PIK Certificates*) liefern.
11. Bei den PIK Zertifikaten (*PIK Certificates*) wird es sich um Inhaberschuldverschreibungen handeln, die von der Emittentin nach deutschem Recht ausgegeben und durch ein dauerhaft geltendes Inhaber-Sammelzertifikat verbrieft werden, das zu Zwecken der Abwicklung bei der Clearingstelle (*Clearing Agent*) hinterlegt wird, wobei die Inhaberschuldverschreibungen die Position eines Hypothetischen Anlegers (*Hypothetical Investor*) in die jeweiligen S Anteile (*S Shares*) abbilden, die im Zusammenhang mit einem in Absatz 8 oben beschriebenen PIK Ereignis (*PIK Event*) ausgegeben worden sind. Die Bedingungen der PIK Zertifikate (*PIK Certificates*) sollen im Wesentlichen den in Anhang 1 (*Bedingungen der PIK*

*Zertifikate*) zu dieser Mitteilung aufgeführten ("**PIK Zertifikatebedingungen**") entsprechen.

12. Unbeschadet Absatz 11 oben behält sich die Emittentin das Recht vor, die PIK Zertifikatebedingungen soweit zu ändern, als sie dies nach ihrem billigen Ermessen (§ 317 BGB) für notwendig oder angemessen erachtet, entweder

- a. nach Eintritt eines weiteren PIK-Ereignisses (*PIK Event*); oder
- b. um die Rückzahlung oder den anderweitigen Einzug bzw. die Kündigung S Anteile wiederzugeben,

jeweils mit Wirkung ab dem Datum dieser Mitteilung (dieses eingeschlossen) bis zum Ausgabetag (dieser nicht eingeschlossen).

13. Kopien dieser Mitteilung (wie in den dieser Mitteilung beigefügten PIK Zertifikatebedingungen) und der Anpassungsmitteilung (wie in den dieser Mitteilung beigefügten Geänderten Bedingungen enthalten) sind über die Webseite der Credit Suisse AG ([www.credit-suisse.com/zertifikate](http://www.credit-suisse.com/zertifikate)) verfügbar.

Diese Mitteilung unterliegt deutschem Recht und ist entsprechend auszulegen.

Diese Mitteilung wird von der Emittentin ausgegeben.

Sollten Sie Fragen im Zusammenhang mit dieser Mitteilung haben, bitte kontaktieren Sie Ihren *Relationship Manager* oder Vertriebspartner oder informieren Sie sich bitte auf der Website der Credit Suisse AG ([www.credit-suisse.com/zertifikate](http://www.credit-suisse.com/zertifikate)).

**SCHEDULE 1**  
**PIK CERTIFICATES TERMS AND CONDITIONS**

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# FORM OF TERMS AND CONDITIONS

## § 1

### Certificate Right; Redemption Amount; Underlying

- (1) Credit Suisse AG, Guernsey Branch (the "**Issuer**") issues up to [number] Credit Suisse IRIS Balanced PIK Certificates in bearer form and ranking *pari passu* among themselves, the redemption of which relates to the performance of the Underlying (§ 1(4)) (the "**Certificates**"). Each Certificate grants its holder (the "**Certificate Holder**"):
- (a) the right to receive, in accordance with these Terms and Conditions, a Distribution Amount (§ 2(3)) per Certificate on each Distribution Date (§ 2(1)); and
  - (b) either:
    - (i) the right to receive, in accordance with these Terms and Conditions, a Final Redemption Amount (§ 2(3)) per Certificate on the Final Redemption Date (§ 2(2)); or
    - (ii) the right to receive, in accordance with these Terms and Conditions, following a valid exercise of the Certificate Holder's Exercise Right (§ 4(1)) the Redemption Amount (§ 1(3)) per exercised Certificate on the Settlement Date (§ 6(5)),
- in each case, subject to an Extraordinary Termination of the Certificates by the Issuer (§ 9) and Termination of the Certificates by the Issuer (§ 15), and, in the case of a valid exercise of the Certificate Holder's Exercise Right, subject to the Issuer's right to substitute in full or in part the payment of the Redemption Amount with the delivery of an appropriate number of PIK Certificates (§ 8(2)) (the "**Certificate Right**").
- (2) Subject to the redemption (if any) of the Certificates on the Final Redemption Date (§ 2(2)), the Issuer's Redemption Right (§ 3(1)), the Certificate Holder's Exercise Right (§ 4(1)), the Issuer's right for Termination (§ 15(1)) and for Extraordinary Termination (§ 9(1)), the Certificates have no fixed term.
- (3) "**Redemption Amount**" per Certificate means an amount in EUR equal to the Certificate Value<sub>(Relevant)</sub>.

In this context:

**"Certificate Value<sub>(Relevant)</sub>"** means the EUR value per Certificate adjusted by the Calculation Fee (applied to the EUR value per Certificate on a daily basis) as determined by the Calculation Agent on the basis of:

- (a) the Share Price<sub>(Relevant)</sub>; and
- (b) any distribution(s) in respect of the Underlying which would have been received by a Hypothetical Investor prior to the Underlying Redemption Date (§ 2(2)), but which have not yet been paid to the Certificate Holder in accordance with § 2(1).

**"Share Price<sub>(Relevant)</sub>"** means the Cell's official Net Asset Value per Share (each a **"Share Price<sub>(t)</sub>"**) as of the Valuation Date<sub>(Relevant)</sub>, as determined and published by the Administrator of the Cell in accordance with the Cell Documents.

**"Calculation Fee"** means 0.07% p.a.

**"Net Asset Value"** (or **"NAV"**) means the net asset value per Share as determined by Northern Trust International Fund Administration Services (Guernsey) Limited (the **"Administrator"**) as administrator of the Cell in accordance with the offering circular or other documents prepared in connection with the marketing of the Cell (together the **"Cell Documents"**).

**"Hypothetical Investor"** means a hypothetical investor in the Shares of the Cell in the legal form of a corporate entity and having its registered place of business on the Bahamas.

**"Valuation Date"** means the last Business Day of each calendar month from (and including) December 2018 until (and including) the Valuation Date<sub>(Relevant)</sub>.

**"Initial Fixing Date"** means 31 December 2018.

**"Valuation Date<sub>(Relevant)</sub>"** means (i) in the case of an exercise of the Issuer's Redemption Right (§ 3(1)), the Redemption Date, and (ii) in the case of an exercise of the Certificate Holder's Exercise Right (§ 4(1)) the relevant Certificate Holder's Exercise Date.

**"Business Day"** means each day (except Saturday and Sunday), on which the banks in London (United Kingdom), Zurich (Switzerland) and St. Peter Port (Guernsey) are open for general business and on which the TARGET-System is open.

**"TARGET-System"** means the Trans-European Automated Real-time Gross Settlement Express Transfer-System.

- (4) **"Underlying"** means, on the Initial Fixing Date, a notional investment made by a Hypothetical Investor in [number] S Shares in the IRIS Balanced Cell (the **"Cell"**) issued by the Managed Investments PCC Limited, Guernsey (the **"Company"**) in respect of which such Hypothetical Investor has immediately notified the Cell that it wishes to liquidate the S Shares comprising such notional investment. The Underlying shall be adjusted, on any Valuation Date after the Initial Fixing Date, to exclude any S Shares comprising such notional investment which are redeemed or otherwise cancelled or terminated after the Initial Fixing Date.

**"Shares"** means the S Shares comprising the Underlying on the Initial Fixing Date, as adjusted on any Valuation Date thereafter.

**"S Shares"** mean the shares from each series of special situation preference shares issued by the Cell on or after 1 October 2017 in connection with the creation of one or more side pockets by the Cell and corresponding to the number of EUR SP Shares cancelled by the Cell in connection with the creation of such side pockets (and each of such S Shares, an **"S Share"**).

## § 2

### **Distribution Amounts and Final Redemption Amounts**

- (1) If, on any date (such date, an **"Underlying Distribution Date"**), a Hypothetical Investor would receive any distribution(s) in respect of the Underlying and, following such receipt, some or all of the Shares are still outstanding, the Issuer shall designate a Business Day falling after such Underlying Distribution Date but not later than the Final Redemption Date (§ 2(2)) as the **"Distribution Date"** in respect of such distribution(s) and shall notify such Distribution Date and the Distribution Amount in respect of such Distribution Date to the Certificate Holders. On each Distribution Date, the Issuer shall pay to each Certificate Holder of each Certificate an amount equal to the Distribution Amount per Certificate in respect of the relevant Distribution Date.
- (2) If, on any date (such date, an **"Underlying Redemption Date"**), a Hypothetical Investor would receive any distribution(s) in respect of the Underlying and, upon or promptly following such receipt, all of the Shares are redeemed or otherwise cancelled or terminated, the Issuer shall designate a Business Day falling not later than 30 calendar days after such Underlying Redemption Date as the **"Final Redemption Date"** in respect of the Certificates and shall notify such Final Redemption Date and the Final Redemption Amount in respect of such Final Redemption Date to the Certificate Holders. On the Final Redemption Date, the Issuer shall redeem each Certificate and shall pay to the Certificate Holder of each Certificate an amount equal to the sum of (i) the Final Redemption Amount per Certificate and (ii) any distribution(s) in respect of the Underlying which would have been received by a Hypothetical Investor prior to the

Underlying Redemption Date, but which have not yet been paid to the Certificate Holder in accordance with § 2(1).

(3) In this context:

**"Distribution Amount"** means, in respect of any Distribution Date, a EUR amount equal to:

(a)

- (i) any distribution(s) which would be received by a Hypothetical Investor in respect of the Underlying on the immediately preceding Underlying Distribution Date (net of all taxes, fees, costs and applicable charges and as adjusted by the Calculation Fee as determined by the Calculation Agent); *less*
- (ii) any part of such distribution(s): (A) which has been taken into account for the purposes of calculating the Redemption Amount(s) in respect of any redemption of the Certificates following an exercise of the Issuer's Redemption Right (§ 3(1)) or the Certificate Holder's Exercise Right (§ 4(1)), the Settlement Date (§ 6(5)) in respect of which occurs after the Underlying Distribution Date but before such Distribution Date; and (B) in respect of which the Issuer makes a corresponding cash payment on such Settlement Date; *divided by*

(b) the number of Certificates outstanding on such Distribution Date.

**"Final Redemption Amount"** means, in respect of the Final Redemption Date, a EUR amount equal to any distribution(s) which would be received by a Hypothetical Investor in respect of the Underlying on the immediately preceding Underlying Redemption Date (net of all taxes, fees, costs and applicable charges and as adjusted by the Calculation Fee as determined by the Calculation Agent) *divided by* the number of Certificates outstanding on such Final Redemption Date (for the avoidance of doubt, prior to the redemption of the Certificates pursuant to § 2(2)).

### § 3

#### **Issuer's Redemption Right**

- (1) The Issuer has the right to redeem the Certificates, in whole but not in part, at any Redemption Date (§ 3(2)) for the Redemption Amount (§ 1(3)) and subject to the Issuer's right to substitute in full or in part the payment of the Redemption Amount with the delivery of an appropriate number of PIK Certificates (§ 8(2)), in each case, by giving notice to the Certificate Holders pursuant to § 12 at least 45 calendar days prior

to the Valuation Date<sup>(Relevant)</sup> thereby specifying such Valuation Date<sup>(Relevant)</sup> as the Redemption Date as of which the redemption shall become effective (the "**Issuer's Redemption Right**").

- (2) "**Redemption Date**" means the last Business Day of each calendar month beginning with the last Business Day (including) of the calendar month falling five calendar years after the Initial Fixing Date.

#### § 4

#### **Certificate Holder's Exercise Right**

- (1) Each Certificate Holder shall have the right to exercise its Certificates at the Redemption Amount (§ 1(3)), subject to the Issuer's right to substitute in full or in part the payment of the Redemption Amount with the delivery of an appropriate number of PIK Certificates (§ 8(2)) (the "**Certificate Holder's Exercise Right**") at any Certificate Holder's Exercise Date by giving notice to the Paying Agent in accordance with the conditions set out below in paragraphs 2 and 3 prior to the relevant Certificate Holder's Exercise Date.

In this context "**Certificate Holder's Exercise Date**" means the last Business Day of each calendar year.

- (2) Certificates may only be exercised subject to the following conditions:
- (a) The Certificates may, subject to (b) below, in relation to each Certificate Holder's Exercise Date only be exercised in each case for at least 1,000 (in words: one thousand) Certificates. An exercise of less than 1,000 (in words: one thousand) Certificates (the "**Minimum Exercise Number**") is invalid and shall not be effective. Upon the valid exercise of the Certificates being effective on the relevant Certificate Holder's Exercise Date all rights arising from the exercised Certificates shall automatically lapse.
  - (b) In relation to each first Certificate Holder's Exercise Date falling on or immediately succeeding the lapse of a revolving period of five calendar years, starting on the Initial Fixing Date, no Minimum Exercise Number is required for the exercise of the Certificate Holder's Exercise Right.
- (3) Such exercise shall only be valid subject to the following conditions:
- (a) The Paying Agent (§ 11(1)) shall have received at least 55 calendar days, but no earlier than 145 calendar days, prior to the Certificate Holder's Exercise Date as of which the exercise shall become effective a validly executed declaration in writing (the "**Exercise Notice**"). The Exercise Notice shall be irrevocable and binding.

- (b) The Exercise Notice shall specify the relevant Certificate Holder's Exercise Date and contain the following information:
- (i) the name of the Certificate Holder,
  - (ii) the name (including the ISIN Code) and number of Certificates for which Exercise Rights are exercised,
  - (iii) the account of the Certificate Holder with a credit institution located within a member state of the European Economic Area to which the Redemption Amount shall be credited, and
  - (iv) the name of the credit institution with which the Certificate Holder maintains the Certificates account from which the Certificates that are exercised shall be transferred to the account of the Paying Agent.
- (c) The Paying Agent shall have received at least 55 calendar days prior to the Certificate Holder's Exercise Date as of which the exercise shall become effective the Certificates that are subject to the exercise either (i) by an irrevocable instruction to the Paying Agent to debit the Certificates from the Certificates account, if any, maintained with the Paying Agent, or (ii) by credit of the Certificates to the account of the Paying Agent with the Clearing Agent.

## § 5

### **Form of the Certificates; Collective Safe Deposit; Transferability**

- (1) The Certificates issued by the Issuer are represented by one or more permanent global bearer certificates (the "**Global Certificate**"). Definitive certificates will not be issued. The Certificate Holders' right to delivery of definitive certificates is excluded.
- (2) The Global Certificate is deposited with SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland, (the "**Clearing Agent**"). The Certificates are transferable as co-ownership interests in accordance with the rules of the Clearing Agent.
- (3) In the clearing system for settling Certificates operations, the Certificates are transferable in units of one Certificate or integral multiples thereof.
- (4) The Certificates constitute direct, unsecured and unsubordinated obligations of the Issuer, ranking *pari passu* among themselves and with all other current and future unsecured and unsubordinated obligations of the Issuer, except for obligations which have priority by operation of mandatory statutory law.

## § 6

### **Calculation Agent; Calculations; Payment of Amounts and Delivery of PIK Certificates**

- (1) Credit Suisse AG, acting through its Guernsey Branch, shall be the calculation agent (the "**Calculation Agent**"). The Issuer may replace the Calculation Agent at any time with another credit institution or financial services institutions (the "**Institute**"). Such replacement, appointment and revocation shall be published without delay pursuant to § 12.
- (2) The Calculation Agent may at any time resign from its office, provided that such resignation shall be effective only upon the appointment by the Issuer of another Institute, to serve as Calculation Agent. Such resignation and appointment shall be published without delay pursuant to § 12.
- (3) The Calculation Agent acts exclusively as an agent of the Issuer and has no obligations whatsoever vis-à-vis the Certificate Holders. The calculations and determinations of the Calculation Agent will be final and binding upon all parties (except in the case of manifest error). The Calculation Agent will have no responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise. The Calculation Agent is exempt from the restrictions under § 181 of the German Civil Code.
- (4) Any amounts, if any, payable pursuant to these Terms and Conditions will be calculated by the Calculation Agent. All amounts determined pursuant to these Terms and Conditions shall be rounded to the second decimal place, with 0.005 being rounded up. All calculations are (except in the case of manifest error) conclusive and binding for all parties.
- (5) The Issuer will, subject to the provisions of § 6(6) procure the transfer of:
  - (a) any Distribution Amount payable under these Terms and Conditions before the relevant Distribution Date;
  - (b) the Final Redemption Amount, if any, payable under these Terms and Conditions before the Final Redemption Date; and
  - (c) the Redemption Amount, if any, payable or, as the case may be, the delivery of an appropriate number of PIK Certificates deliverable under these Terms and Conditions before the Settlement Date,

in each case, through the Paying Agent (§ 11(1)) to the Clearing Agent for credit to the accounts of the depositors of the Certificates with the Clearing Agent.

In this context:

**"Settlement Date"** means the forty-fifth calendar day after (i) in the case of an exercise of the Issuer's Redemption Right (§ 3(1)), the Redemption Date, or (ii) in the case of a Certificate Holder's Exercise Right (§ 4(1)) the Certificate Holder's Exercise Date and, if such day specified in (i) or (ii) is not a Banking Day, the next following Banking Day.

**"Banking Day"** is each day (except Saturday and Sunday) on which the banks in London (United Kingdom), Zurich (Switzerland) and St. Peter Port (Guernsey) are open to the public for general business, the Clearing Agent (§ 5(2)) effects payments inside and outside Switzerland and the TARGET-System is open. Public holidays in London (United Kingdom), Zurich (Switzerland) and St. Peter Port (Guernsey), on which the banks are partly open to the public, shall be deemed to be no Banking Days. Besides the public holidays in London (United Kingdom), Zurich (Switzerland) and St. Peter Port (Guernsey), also December 24 and December 31 shall be deemed to be no Banking Days.

- (6) All taxes, fees and other charges payable in connection with the payment of the amounts under the Certificates shall be borne and paid by the Certificate Holders. The Issuer and the Paying Agent shall have the right to withhold from any amount payable under the Certificates any taxes, fees or other charges payable by the Certificate Holders according to the preceding sentence.

## § 7

### **Adjustments; Substitute Share**

- (1) If during the term of the Certificates before the earlier of the Final Redemption Date and the Settlement Date an Adjustment Event in accordance with paragraph 2 below occurs, the Calculation Agent may (but, for the avoidance of doubt, shall not be obliged to)
  - (a) in its reasonable discretion (§ 317 of the German Civil Code) and in consideration of the Certificate Holder's justified economic interest, adjust the Certificate Right in a way that the Certificate Holder will be, to the extent possible, in the same financial position they were in before the adjustments pursuant to paragraph 2 were effected; **and/or**
  - (b) select, for the purpose of these Terms and Conditions, another underlying which in the opinion of the Calculation Agent in its reasonable discretion (§ 317 of the German Civil Code) has a strategy and liquidity comparable to the Cell (the **"Substitute Cell"**) and replace the Share with such other share (the **"Substitute Share"**). In such case, each reference in these Terms and Conditions to the Cell or the Share shall be deemed to refer to the Substitute Cell or Substitute Share, unless the context requires otherwise.



Each Adjustment or the Substitute Share respectively and the time of its first application shall be published without delay in accordance with § 12.

- (2) Each of the following events or circumstances shall be or constitute an "**Adjustment Event**":
- (a) Subdivision, consolidation, reclassification or request of mandatory redemption of Shares by the Cell or taking of any other similar action that may have an impact on the theoretical value of the Shares.
  - (d) Occurrence of a material change in the fee structure of the Cell as outlined in the Cell Documents, including introduction or increase of a subscription or redemption fee.
  - (e) Occurrence of an adverse change in the accounting, regulatory or tax treatment which would or does adversely affect a Hypothetical Investor in the Shares.
  - (f) Occurrence of an adverse tax treatment of a Hypothetical Investor in respect of a holding of Shares.
  - (g) Occurrence of an Extraordinary Termination Event (§ 9(1)).
  - (h) Issuance and delivery of one or more series of PIK Certificates (§ 8(1)).
- (3) Any adjustments in accordance with the above paragraphs shall be effected by the Issuer and (except in the case of manifest error) be binding on all parties concerned.

## **§ 8**

### **PIK Certificates**

- (1) The Issuer is entitled to substitute in full or in part any due payment of a Redemption Amount on the relevant Settlement Date with the delivery of an appropriate number of PIK Certificates, such that, as at the Valuation Date<sub>(Relevant)</sub>, the aggregate EUR value per Certificate of the amount(s) paid (if any) and PIK Certificate(s) delivered to each relevant Certificate Holder as determined by the Calculation Agent is equal to the Redemption Amount which would have been due to such Certificate Holder but for this § 8(1).
- (2) In this context:

A "**PIK Certificate**" means a bearer instrument of indebtedness (*Inhaberschuldverschreibung*) issued by the Issuer under German law and represented

by one or more permanent global bearer certificate(s) deposited for clearing and settlement with the Clearing Agent, which mirrors the position of a Hypothetical Investor in the relevant S Shares, which does not have a pre-defined term. The key characteristics of the terms and conditions of the PIK Certificates will be comparable to the key characteristics of these Terms and Conditions of the Certificates.<sup>1</sup> There will be no restrictions on the free transferability of the PIK Certificates. The PIK Certificates will not be listed on any securities exchange and the Issuer does not expect any secondary market to develop in relation to the PIK Certificates.

## § 9

### **Extraordinary Termination of the Certificates by the Issuer;** **Extraordinary Termination Event**

- (1) The Issuer may terminate the Certificates prior to the earlier of the Final Redemption Date and the Settlement Date by giving notice to the Certificate Holders pursuant to § 12 specifying (i) the day on which the termination shall be effected (the "**Termination Date**") and (ii) the Extraordinary Termination Amount (§ 9(4)) if during the term of the Certificates up to (but excluding) the earlier of the Final Redemption Date and the Settlement Date a Cell Related Termination Event in accordance with paragraph 2 or an Other Termination Event in relation to a Hypothetical Investor in accordance with paragraph 3 (together with the Cell Related Termination Event, an "**Extraordinary Termination Event**") occurs.
- (2) The occurrence of one of the following events, or in the opinion of the Issuer the likely occurrence of one of the following events, shall be deemed to constitute a "**Cell Related Termination Event**" in relation to the Share:
  - (a) The winding-up, dissolution, liquidation or other cessation of trading of (i) the Cell or (ii) the Company, the Investment Manager, Administrator or other Service Provider as specified in the Cell Documents (each a "**Service Provider**"), unless the affected Service Provider is replaced with a successor acceptable to the Calculation Agent.
  - (b) An investigation is made by any regulatory body into the activities of the Cell or any Service Provider for reasons of alleged wrongdoing, breach of rule or regulation or other similar reason (together a "**Wrongdoing**"), provided that the allegation of Wrongdoing, if true, would in the opinion of the Calculation Agent have a materially adverse effect on the Cell or Share Price.

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<sup>1</sup> *The following clarification does not form part of the Terms and Conditions of the Certificates: The final characteristics of each PIK Certificate will only be determined by the Issuer upon its actual issuance.*

- (c) Loss of any licence or regulatory authorisation relating to the Cell or any Service Provider, unless immaterial.
  - (d) The investigation or instigation of any legal action, arbitration or equivalent measure against the Cell or any Service Provider which, if decided against the Cell or Service Provider, would have a materially adverse effect on the Cell or Share Price.
  - (e) A material change to the legal constitution of the Cell or to the Cell's management as outlined in the Cell Documents including, but not limited to, a change in its Investment Manager or in the Investment Advisor to the Investment Manager, or a change in the Cell's organisation or its management whether or not via merger or other reorganisation event.
  - (f) A material modification of the Cell's investment objective and strategy as outlined in the Cell Documents (including investment restrictions, distribution and other relevant specifications) (the "**Investment Objective and Strategy**").
  - (h) The aggregate net asset value of all Shares issued by the Cell falls below EUR 20 million.
  - (i) The change in the Cell's accounting currency as outlined in the Cell Documents.
  - (j) The Cell materially breaches any of its reporting obligations as outlined in the Cell Documents.
- (3) Each of the following events which in the opinion of the Calculation Agent is not cured promptly or within the period specified below and which in the opinion of the Calculation Agent has or may have a material effect on the investment of a Hypothetical Investor will also be deemed to constitute a "**Other Termination Event**":
- (a) A mandatory redemption (in whole or in part) of any Shares occurs.
  - (b) A change in the Share's redemption or subscription terms outlined in the Cell Documents which leads to (i) less frequent subscriptions or redemptions, (ii) a requirement for longer notice period regarding a restitution or subscription, or (iii) settlement of redemptions later than on the terms of the Cell Documents.
  - (c) The Cell would offer preferential liquidity or redemption terms in respect of Shares.
  - (d) The Cell would charge a subscription fee or a redemption fee.

- (e) Subscriptions for or redemptions of Shares are, for whatsoever reason, not possible on a dealing day, as scheduled in the Cell Documents.
  - (f) (i) the Cell issues more than one class or series of Shares with different Share Prices or (ii) the Shares deduct any fee outside the Share Price by the application of equalization credits or similar mechanism.
  - (g) The Cell suffers an adverse change in its legal, accounting, regulatory or tax treatment and such change has not been cured within thirty (30) calendar days or would have been cured.
  - (h) A Hypothetical Investor becomes subject to taxes or other similar fees payable in respect of subscriptions and redemptions of Shares and such change has not been cured within thirty (30) calendar days or would have been cured.
  - (j) As a result of an adoption of or change in law or regulation applicable to the Cells, (i) it would become unlawful for a Hypothetical Investor to own Shares, (ii) the cost of holding Shares would be in the opinion of the Calculation Agent materially increased, or (iii) there would be a material decline in the Share Price.
- (4) The "**Extraordinary Termination Amount**" shall be equal to an amount determined by the Calculation Agent in its reasonable discretion (§ 317 of the German Civil Code) as fair market value of a Certificate immediately prior to the occurrence of the Extraordinary Termination Event. For the avoidance of doubt, the Extraordinary Termination Amount might be 0 (zero).
- (5) The Issuer will procure the transfer of the Extraordinary Termination Amount within 45 Banking Days after the Termination Date through the Paying Agent to the Clearing Agent (§ 5(2)) for credit to the accounts of the depositors of the Certificates with the Clearing Agent.
- (6) All taxes, fees and other charges payable in connection with the payment of the Extraordinary Termination Amount shall be borne and paid by the Certificate Holders. The Issuer and the Paying Agent shall have the right to withhold from the Extraordinary Termination Amount any taxes, fees or other charges payable by the Certificate Holders according to the preceding sentence.

## § 10

### **Cell Disruptions; Market Disruptions**

- (1) If, in the opinion of the Calculation Agent in its reasonable discretion (§ 317 of the German Civil Code), a Cell Disruption Event (§ 10(2)) occurs on the Initial Fixing Date or on the Valuation Date<sub>(Relevant)</sub>, which prevents the calculation or determination of the

Share Price<sub>(t)</sub>, the Certificate Value<sub>(t)</sub> or another calculation or determination (each a **"Calculation Item"**) on such Initial Fixing Date and/or Valuation Date<sub>(Relevant)</sub> (a **"Disrupted Valuation Date"**), each calculation or determination in relation to the Disrupted Valuation Date shall be postponed to (i) the immediately succeeding Business Day on which there is no Cell Disruption Event or (ii) the Business Day falling immediately after the expiry of the Cell Disruption Period, whichever happens first (such a day a **"Postponed Valuation Date"**). The Issuer will endeavour to notify the parties concerned without delay pursuant to § 12, if a Cell Disruption Event has occurred. However, the Issuer is not obliged to make such notification.

In this context a **"Cell Disruption Period"** means a period of five (5) Business Days, beginning with the Disrupted Valuation Date (inclusive).

If the Cell Disruption Event has not be cured on the Postponed Valuation Date, then the Calculation Agent may make any calculation or determination in respect of the Certificates as of the Postponed Valuation Date<sub>(t)</sub>, using an estimate of the Share Price<sub>(t)</sub> as of the Postponed Valuation Date, determined by the Calculation Agent in its reasonable discretion (§ 317 of the German Civil Code) taking into consideration available information sources and the then prevailing market conditions.

(2) A **"Cell Disruption Event"** means

- (a) any failure, suspension or postponement, for whatever reason, to report or publish the Net Asset Value, which in the opinion of the Calculation Agent in its reasonable discretion (§ 317 of the German Civil Code) is relevant;
- (b) any failure, suspension or postponement by the Cell to make a redemption payment when scheduled;
- (c) any failure, suspension or postponement of another event, that results in, or potentially results in a Hypothetical Investor being unable to subscribe for or redeem Shares in the Cell, or
- (d) the occurrence of a Market Disruption Event.

(3) If in the opinion of the Issuer on a Valuation Date a Market Disruption Event (§ 10(4)) has occurred that affects the calculation or determination of a Calculation Item (other than Share Price<sub>(t)</sub>) as of that Disrupted Valuation Date, the Calculation Agent shall determine the relevant value in its reasonable discretion (§ 317 of the German Civil Code) considering the then prevailing market conditions.

(4) A **"Market Disruption Event"** means

- a) A closure of the foreign exchange markets or money markets for EUR, USD or other relevant currencies in relation to the Underlying other than for ordinary public holidays, or a restriction or suspension of trading in these markets, that materially impacts a Hypothetical Investor's position or the timely and accurate determination of the Share Price<sub>(Relevant)</sub>.
- (b) The occurrence of an event resulting in a breakdown in any means of communication normally used to enable the determination of the Share Price<sub>(Relevant)</sub>.
- (c) The notice of the Investment Manager or the determination by the Issuer that the last published Net Asset Value is not reliable.
- (d) The occurrence of an event rendering economic transactions in respect of the Cell impracticable or preventing economic transactions in respect of a substantial number of Shares.
- (e) The occurrence of any other event preventing the prompt or accurate determination of the Share Price<sub>(t)</sub>.

## § 11

### **Paying Agent**

- (1) Credit Suisse AG, acting through its Guernsey Branch shall be the paying agent (the "**Paying Agent**"). The Issuer may replace the Paying Agent at any time with another credit institution or financial services institutions (the "**Institute**") having its head office or a branch office within a member state of the European Economic Area or Switzerland, appoint one or more additional Paying Agent(s) and revoke such appointments. Such replacement, appointment and revocation shall be published without delay pursuant to § 12.
- (2) The Paying Agent may at any time resign from its office, provided that such resignation shall be effective only upon the appointment of another institute, having its head office or branch office within a member state of the European Economic Area or Switzerland, to serve as Paying Agent by the Issuer. Such resignation and appointment shall be published without delay pursuant to § 12.
- (3) The Paying Agent acts exclusively as an agent of the Issuer and has no obligations whatsoever vis-à-vis the Certificate Holders. The Paying Agent will have no responsibility for good faith errors or omissions in its calculations and determinations, whether caused by negligence or otherwise. The Paying Agent is exempt from the restrictions under § 181 of the German Civil Code.

- (4) Neither the Issuer nor the Paying Agent is obliged to verify the entitlement of persons presenting the Certificates.

## **§ 12**

### **Notices**

- (1) Notices concerning the Certificates shall be published in a mandatory journal of statewide or nationwide circulation or in accordance to the respective national requirements in the respective countries where the Certificates were offered respectively. If legally permissible, notices to the Certificate Holders may be given via the website of the Credit Suisse: [www.credit-suisse.com](http://www.credit-suisse.com) or through the Clearing Agent for communication to the Certificate Holders.
- (2) Notices will be effective, in the case of communication through the Clearing Agent, on the third day after receipt by the Clearing Agent, or, in the case of publication (independently of whether this occurs additionally), on the date of publication, or, if it was published more than once, on the date of the first publication.

## **§ 13**

### **Increase; Repurchase**

- (1) The Issuer may at any time issue further certificates on the same terms so as to be aggregated with the Certificates, form a single issue with them and increase their number. In the case of such increase, the term "**Certificates**" shall be deemed to include any such additionally issued certificates.
- (2) The Issuer, any subsidiary of the Issuer and/or any other Affiliate (§ 13(3)) of the Issuer (each a "**Repurchaser**") may at any time repurchase Certificates at any price on or outside of a stock exchange. The Repurchaser is not obliged to notify the Certificate Holders of such repurchase. Any Certificates so repurchased may be cancelled, held, resold or used otherwise by the Repurchaser.
- (3) The term "**Affiliate**" includes any entity in which the Issuer, directly or indirectly, holds a majority of the voting rights or which, directly or indirectly, holds a majority of the voting rights of the Issuer.

**§ 14**  
**Replacement of the Issuer**

- (1) The Issuer may replace itself at any time without the consent of the Certificate Holders by any other company as obligor (the "**New Issuer**") with respect to all obligations arising out of or in connection with the Certificates, provided that
  - (a) the New Issuer undertakes in an agreement with the Issuer to assume all obligations of the Issuer arising out of or in connection with the Certificates,
  - (b) a trustee to be appointed by the Issuer specifically for such purpose which shall be a bank or a firm of auditors of international reputation in a member state of the European Economic Area or Switzerland (the "**Trustee**") certifies in its reasonable discretion (§ 317 of the German Civil Code) that the assumption of obligations pursuant to § 14(1)(a) will have no material adverse effect on the interests of the Certificate Holders, and that it consents to such assumption of obligations on behalf of the Certificate Holders,
  - (c) the Issuer or guarantees these obligations of the New Issuer in a declaration made to the Trustee for the benefit of the Certificate Holders, and
  - (d) the New Issuer has obtained all necessary permits from the authorities of the country in which it has its registered office.

Upon fulfilment of the aforesaid conditions the New Issuer shall replace the Issuer in every respect and the Issuer shall be released from all obligations vis-à-vis the Certificate Holders arising out of or in connection with the Certificates and its acting as Issuer save for the obligations pursuant to § 14(1)(c).

- (2) In the event of such a replacement of the obligor, each reference in these Conditions of Issue to the Issuer shall thereupon be deemed to be a reference to the New Issuer.
- (3) Any replacement of the Issuer shall be published without delay pursuant to § 12.

**§ 15**  
**Termination of the Certificates by the Issuer**

- (1) The Issuer may terminate the Certificates by giving notice to the Certificate Holders pursuant to § 12 specifying the Termination Amount (§ 15(3)) if
  - (a) the Issuer determines in its reasonable discretion (§ 315 of the German Civil Code) that, following the occurrence of an Adjustment Event, appropriate



adjustments in accordance with § 7 are for whatever reason not possible or economically inadequate;

- (b) after a period of two years starting on the Initial Fixing Date, the aggregate value of all outstanding Certificates (calculated as the product of (x) the aggregate Nominal Amount of all outstanding Certificates and (y) the Certificate Value as of the Valuation Date immediately preceding the Issuer's termination notice pursuant to this paragraph) falls or is expected to fall below the EUR 10 million; or
  - (c) the Issuer determines in good faith that the performance of its obligations arising out of the Certificates or an arrangement made to hedge these obligations has or will become, in whole or in part, unlawful, illegal or otherwise prohibited under, or as a result of a change in the interpretation of, any applicable present or future laws, rules, judgments, decrees or regulations issued by a government, administrative or legislative authority or power or a court.
- (2) The termination shall be effected within one month after
- (a) the occurrence of the relevant Adjustment Event (in the event of termination pursuant to § 15(1)(a));
  - (b) the determination by the Calculation Agent that the aggregate value of all outstanding Certificates (§ 15(1)(b)) has fallen or is expected to fall below the threshold as specified in § 15(1)(b),
  - (c) the determination of the unlawfulness, illegality or prohibition of the performance of the Issuer's obligations arising out of the Certificates or of an arrangement made to hedge these obligations (in the event of termination pursuant to § 15(1)(c)).
- (3) The "**Termination Amount**" shall be equal to the amount which is determined by the Calculation Agent in its reasonable discretion (§ 317 of the German Civil Code) taking into consideration available information sources and the then prevailing market conditions. as fair market price of a Certificate immediately prior to
- (a) the occurrence of the relevant Adjustment Event (in the event of termination pursuant to § 15(1)(a)); or
  - (b) the notification of the Termination pursuant to § 15(1)(b) and § 15(2)(b) or § 15(1)(c) and § 15(2)(c).

For the avoidance of doubt, the Termination Amount may be 0 (zero).

- (4) The Issuer will procure the transfer of the Termination Amount within 45 Banking Days after the date of notification of termination through the Paying Agent to the Clearing Agent (§ 5(2)) for credit to the accounts of the depositors of the Certificates with the Clearing Agent.
- (5) All taxes, fees and other charges payable in connection with the payment of the Termination Amount shall be borne and paid by the Certificate Holders. The Issuer and the Paying Agent shall have the right to withhold from the Termination Amount any taxes, fees or other charges payable by the Certificate Holders according to the preceding sentence.

## **§ 16**

### **Miscellaneous**

- (1) Form and content of the Certificates as well as all duties and obligations arising from matters under these Conditions of Issue shall be governed in all respects by the laws of the Federal Republic of Germany.
- (2) Place of performance shall be Frankfurt am Main, Federal Republic of Germany.
- (3) Place of jurisdiction for all actions or other proceedings arising out of or in connection with the Certificates shall be Frankfurt am Main, Federal Republic of Germany.
- (4) The Issuer may (a) correct manifest typing or calculation errors or other manifest errors, and (b) amend or supplement contradictory or incomplete provisions which may be contained in these Conditions of Issue, provided that, in the cases referred to under (b)), only such amendments and supplements shall be permitted which are reasonably acceptable to the Certificate Holders having regard to the interests of the Issuer, i.e. which do not materially adversely effect the financial situation of the Certificate Holders. Any amendments and supplements to these Conditions of Issue shall be published without delay pursuant to § 12.
- (5) For any legal disputes or other proceedings before German courts, the Issuer appoints Credit Suisse (Deutschland) AG of Taunustor 1, 60310 Frankfurt am Main, Federal Republic of Germany (formerly of Junghofplatz, Junghofstrasse 16, 60311 Frankfurt am Main, Federal Republic of Germany), as its authorised recipient.
- (6) Should any provision in these Terms and Conditions be or become invalid in whole or in part, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced with a valid provision the economic effect of which comes as close as possible to that of the invalid provision.