

THIS IS A NON-BINDING ENGLISH TRANSLATION OF THE ISSUERS' "BASISPROSPEKT FÜR DIE EMISSION VON STRUKTURIERTEN PRODUKTEN DER ZÜRCHER KANTONALBANK UND DER ZÜRCHER KANTONALBANK FINANCE (GUERNSEY) LIMITED VOM 16. NOVEMBER 2022", PUBLISHED IN GERMAN. THE GERMAN TEXT SHALL BE AUTHORITATIVE AND BINDING. THE ENGLISH LANGUAGE TRANSLATION IS PROVIDED FOR CONVENIENCE ONLY.

# Base Prospectus for the Issuance of Structured Products

dated

**16. November 2022**

of

**Zürcher Kantonalbank**

and

## **Zürcher Kantonalbank Finance (Guernsey) Limited**

Under this document (together with all information incorporated by reference herein and any and all supplements approved by the Review Body (as defined below), the "**Base Prospectus**"), Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited (in its capacity as issuer, each an "**Issuer**" and collectively the "**Issuers**") may, from time to time, issue structured products (the "**Structured Products**" or the "**Securities**" and each a "**Structured Product**" or a "**Security**").

This Base Prospectus was approved by SIX Exchange Regulation Ltd. as review body the "**Review Body**") pursuant to article 52 of the Swiss Financial Services Act dated 15 June 2018, as amended from time to time (the "**FinSA**", *Finanzdienstleistungsgesetz*) on 16 November 2022. The relevant Issuer may decide to apply for listing and/or admission to trading on either the SIX Swiss Exchange Ltd. ("**SIX**") or the BX Swss Ltd. ("**BX**"). The respective Issuer may also decide not to apply for listing and/or trading of the Securities on any securities exchange. Any listing and/or trading of the Securities will be specified in the relevant Final Terms.

The Securities offered and/or listed under the Base Prospectus may be based on the performance of any kind of underlying (each an "**Underlying**"), including, without limitation, a share (including a certificate representing shares (ADR/GDR)), a participation certificate (*Partizipationsschein*) or a profit participation certificate (*Genussschein*), an index (which may or may not be published and/or maintained by the Issuers or any of their Affiliates), a currency exchange rate, a precious metal, a commodity, an interest rate, non-equity securities, an exchange traded fund unit

("exchange traded funds" resp. "ETF"), a not exchange traded fund unit, a futures contract, a standardized option contract or, as the case may be, and as specified in the relevant Final Terms (as defined below), a reference rate (including, but not limited to, interest rate swap (IRS) rates, currency swap rates or, as the case may be, credit default swap levels), as well as a basket or portfolio comprising the aforementioned assets.

**IMPORTANT – The Securities do not constitute a collective investment scheme as defined in the Swiss Federal Act on Collective Investment Schemes (CISA) and therefore are not subject to the protection provisions of the CISA or an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Investors in the Securities are subject to the relevant Issuer's credit risk.**

The Securities will be issued on the basis of (a) the information set out in the Basis Prospectus, including the general terms of the Securities (the "**General Terms of the Securities**"), the additional terms with respect to specific categories of Securities and/or types of Underlyings (the "**Additional Terms**") and the information on the underlyings (the "**Information on the Underlyings**") (each as amended and/or supplemented from time to time) and (b) the applicable final terms relating to the relevant Securities (the "**Final Terms**"). The General Terms of the Securities together with the Additional Terms, the Information on the Underlyings and the Final Terms constitute the terms and conditions of the relevant Securities (the "**Terms and Conditions of the Securities**"). Thus, the Final Terms should always be read together with the General Terms of the Securities, the Additional Terms and the Information on the Underlyings as well as all other information contained in the Base Prospectus. In the event of any discrepancy or inconsistency between the General Terms of the Securities or any other part of the Base Prospectus and the Final Terms, the Final Terms shall prevail with respect to the individual series of Securities (each a "**Series**"). Definitions used in the Final Terms, but not defined therein, shall have meaning given to them in the Base Prospectus.

The Base Prospectus is available on the website of Zürcher Kantonalbank at <https://zkb-finance.mdgms.com/products/stp/service/emission/index.html> (or a successor or replacement address thereto). The Final Terms of each Series issued under the Base Prospectus are also available on the website of Zürcher Kantonalbank at <http://www.zkb.ch/strukturierteprodukte> (or a successor or replacement address thereto) during the term of the individual Series. In addition, the Final Terms of each Series issued under the Base Prospectus are available free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich and via the email address [documentation@zkb.ch](mailto:documentation@zkb.ch).

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

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## SUMMARY OF THE BASE PROSPECTUS

This summary of the Base Prospectus (the "**Summary**") contains all the information required to be included in a summary for this type of Securities and issuer.

Section	Section A – Warnings	
A.1	Warnings.	<p><b>This Summary should be read as an introduction to the base prospectus (the "Base Prospectus").</b></p> <p><b>Any decision to invest in the securities to be issued under the Base Prospectus (the "Securities") should be based on consideration of the Base Prospectus as a whole by the investor (including documents incorporated into the Base Prospectus by reference or otherwise forming part of the Base Prospectus), and not on the Summary alone. In particular, each investor should consider the risk factors described in the Base Prospectus (including documents incorporated into the Base Prospectus by reference or otherwise forming part of the Base Prospectus).</b></p> <p><b>The relevant Issuer can only be held liable for the content of the Summary if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus.</b></p>

Section	Section B – Issuers	
B.1	Legal and commercial names of the Issuers.	The legal and commercial names of the entities acting as Issuers under the Base Prospectus are Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited.
B.2	Domicile, legal form, legislation and country of incorporation of the Issuers.	<p><b>Zürcher Kantonalbank</b> Zürcher Kantonalbank is incorporated and domiciled in Switzerland and operates as an independent public law institution (<i>selbstständige öffentlich-rechtliche Anstalt</i>). Zürcher Kantonalbank is entered into the commercial register of the Canton of Zurich. The registration number is CHE-108.954.607.</p> <p>The address of Zürcher Kantonalbank's registered office and principal place of business is Bahnhofstrasse 9, 8001 Zurich, Switzerland.</p> <p><b>Zürcher Kantonalbank Finance (Guernsey) Limited</b> Zürcher Kantonalbank Finance (Guernsey) Limited is incorporated and domiciled in Guernsey and operates as a limited liability company in the form of a so-called "Non-Cellular Company Limited by Shares" under the laws of Guernsey. The company registration number is 37610.</p>

		The address of Zürcher Kantonalbank Finance (Guernsey) Limited's registered office and principal place of business is Bordage House, Le Bordage, St. Peter Port, Guernsey GY1 1BU.
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Section	<b>Section C – Securities</b>	
<b>C.1</b>	<b>Types of Securities described in the Base Prospectus.</b>	<p>The main categories of Securities that may be issued under the Base Prospectus are described in the following. The Issuer is free to modify the Securities issued under the Base Prospectus by adding additional product features. Additional information on the Securities, including a description of the particular Securities will be included in the relevant Final Terms.</p> <p>The Securities offered and/or listed under the Base Prospectus may be based on the performance of any kind of underlying, including, without limitation, a share (including a certificate representing shares (ADR/GDR)), a participation certificate (Partizipationsschein) or a profit participation certificate (Genussschein), an index (which may or may not be published and/or maintained by the Issuers or any of their Affiliates), a currency exchange rate, a precious metal, a commodity, interest rates, non-equity securities, an exchange traded fund unit, a not exchange traded fund unit, a futures contract, a standardized option contract or, as the case may be, and as specified in the relevant Final Terms (as defined below), a reference rate (including, but not limited to, interest rate swap (IRS) rates, currency swap rates or, as the case may be, credit default swap levels), as well as a basket or portfolio comprising the aforementioned assets.</p> <p><b>Capital Protection Products</b></p> <p>"Capital Protection Products" provide for a specific minimal redemption amount. The level of the minimal redemption amount representing the level of capital protection indicates the percentage of the nominal or par value of the "Capital Protection Product" that the investor will be entitled to at the settlement date. The Issuer sets it at the time of the issuance and it applies only at the end of the term or at maturity. The Issuer may set the level of the minimal redemption amount representing the level of capital protection below 100% of the nominal or par value of the "Capital Protection Products" (partial capital protection). Capital protection therefore does not mean that the investor is entitled to a redemption amount equal to the full nominal or par value of the "Capital Protection Products". The potential loss is limited by the minimum redemption amount, subject to the credit risk of the Issuer.</p> <p><b>Yield Enhancement Products</b></p> <p>"Yield Enhancement Products" provide for a redemption amount that is limited to a maximum amount (cap) and may provide for (fixed or variable) periodic coupon payments during the term. They may be linked to several Underlyings and may therefore offer a larger discount or coupon than "Yield Enhancement Products" linked to just one</p>

		<p>Underlying.</p> <p><b>Participation Products</b>  "Participation Products" generally track the performance of the Underlying and enable investors to participate in the performance of the Underlying. Depending on the structure of the "Participation Product", investor participate proportionate or disproportionate in the performance of the Underlying. The profit an investor may achieve by investing in a "Participation Product" is theoretically unlimited, (unless there is a cap) but there is the risk of a total loss (unless there is a partial capital protection).</p> <p><b>Investment products with additional credit risk</b>  "Investment products with additional credit risk" are affected by the occurrence of a defined credit event in respect of a reference entity or reference obligation. If a credit event occurs in respect of a reference entity or obligation during the term of the "Investment products with additional credit risk", they will be redeemed at a value which may be significantly below their initial value and as low as zero and investors will make a partial or total loss.</p> <p>If no credit event occurs, "Products with Reference Entities" work in the same manner as the corresponding "Capital Protection Product", "Yield Enhancement Product" or "Participation Product" on which they are based.</p> <p><b>Leverage Products</b>  "Leverage Products" are subject to a leverage effect both in the direction of profits and losses, i.e., changes in the value of the Underlying have a disproportionate effect on the value of "Leveraged Products" compared to a direct investment in the Underlying. The leverage effect permits investors to use less capital compared to investing directly in the Underlying.</p>
<b>C.2</b>	<b>Security identification number(s).</b>	The security identification number(s) of the Securities which are relevant for a public offering of the Securities or the admission of the Securities to trading (if any) will be included in the relevant Final Terms.
<b>C.3</b>	<b>Information on the Securities.</b>	The most important information with respect to the Securities will be included in the relevant Final Terms.

<b>Section</b>	<b>Section D – Offer and admission to trading</b>	
<b>D.1</b>	<b>Terms and conditions of the offer.</b>	The most important information relating to a specific public offering of the Securities (if any) will be included in the relevant Final Terms.
<b>D.2</b>	<b>Listing; admission to trading.</b>	The most important information relating to a specific listing and/or a specific admission to trading of the Securities (if any) will be included in

		the relevant Final Terms.
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<b>Section</b>	<b>Section E – Approval of Base Prospectus</b>	
<b>E.1</b>	<b>Approval of Base Prospectus.</b>	Base prospectus of 16. November 2022 approved by and registered with SIX Exchange Regulation Ltd. on 16. November 2022.

<b>Section</b>	<b>Section F – Final Terms</b>	
<b>F.1</b>	<b>Publication of the Final Terms</b>	The Final Terms for a particular series of Securities will be published and filed with the Review Body as soon as possible after the final information is available and, in the case of admission to trading, no later than the date the relevant Securities are admitted to trading.

## RISK FACTORS

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

*Each Issuer believes that the following factors are material for the purpose of assessing the market risk and other risks associated with the Securities. All of these factors are contingencies which may or may not occur and none of the Issuers does express a view on the likelihood of any such contingency occurring. Furthermore, various risks may have a simultaneous and/or compounding effect which leads to the fact that the effect of a particular risk is not predictable. No assurance can be given as to the effect that any combination of risks may have on the value of the Securities. The risks set out in the relevant Final Terms and in this section are not exhaustive and there are additional risks and uncertainties that are not currently known to the Issuers and/or their Affiliates or that the Issuers currently deems to be immaterial but that could nevertheless have a material adverse impact on the Securities.*

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

### A. Risk factors relating to the Issuers

The Securities entail an issuer risk, also referred to as debtor risk or credit risk for prospective investors. The issuer risk is the risk that Zürcher Kantonalbank or Zürcher Kantonalbank Finance (Guernsey) Limited, as applicable, becomes temporarily or permanently unable to meet its obligations under the Securities. If the issuer risk materializes, Holders may sustain a partial or total loss of the amount of their initial investment in the Securities.

In order to assess certain other risks related to the Issuers, potential investors should consider the risk factors described in the section "*Material risks relating to the Issuers*" in the Registration Document dated 25 June 2022 for Debt Instruments (excluding Derivatives) and for Derivatives of Zürcher Kantonalbank and Zürcher Kantonalbank (Guernsey) Limited (as supplemented from time to time) (the "**Registration Document**").

### B. Market risk factors

#### I. Prior to maturity, the market value of, and expected return on, the Securities will be influenced by many unpredictable factors

##### 1. In general

Many economic and market factors will influence the market value of, and the expected return (if any) on, the Securities. In general, the value of the asset(s) which serve as underlying of the Securities on any day will likely affect the value of the Securities more than any other single factor. However, Holders should not expect the market value of the Securities in the secondary market (if any) to vary in proportion to changes in the market value of such underlying asset(s). The market value of the Securities will be affected by a number of other factors, some or all of which are unpredictable and/or beyond the relevant Issuer's control, and which may offset or magnify each other, including, but not limited to:

- supply and demand trends and market prices at any time for the Securities or any asset(s) which serve(s) as underlying of the Securities;
- the creditworthiness or perceived creditworthiness of the relevant Issuer, including actual or anticipated downgrades in their respective (future) credit ratings;

- the actual and expected frequency and magnitude of changes in the value of the Underlying (i.e., volatility);
- the remaining time to maturity of the Securities;
- for Securities with a Share/Shares, a Basket of Shares or a Share Index as underlying, the dividend rate on such Share(s), the Shares contained in the relevant Basket or the Shares underlying such Index (while not paid to the Holders, such dividend payments may influence the market value of the relevant Share(s), Shares contained in the relevant Basket or Shares underlying the relevant Index and the market value of options on such Share(s) and therefore affect the market value of the Securities);
- the occurrence of certain corporate events with respect to asset(s) which serve as Underlying;
- interest rates in the market generally as well as in the markets of any asset which serves as Underlying;
- economic, financial, political, terrorist, military, regulatory, geographical, agricultural, meteorological, environmental, epidemic or judicial events that affect the Issuer, any asset(s) which serve(s) as Underlying or the (financial) markets generally;
- for Securities with a Basket of assets as underlying, changes in the correlation (the extent to which the value of such assets increase or decrease to the same degree at the same time) between the assets contained in the Basket;
- the Exchange Rates and the volatility of the Exchange Rates between the currency of denomination of the Securities and the currencies in which the asset(s) which serve(s) as underlying of the Securities are traded; and
- the liquidity in the market (in situations where the financial markets in general or in respect of the relevant Issuer or the asset(s) serving as Underlying of the Securities become illiquid, the bid/offer spreads in financial instruments are increasing and the market value of the Securities is expected to fall).

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

## **2. The market value of the Securities may be highly volatile**

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

## **3. There may be price discrepancies with respect to the Securities between various dealers or other purchasers in the secondary market**

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

## **II. No obligation of the relevant Issuer to make a secondary market and risk of illiquidity**

There may be little or no secondary market for the Securities. Even in case a secondary market develops, (a) it may not provide enough liquidity to allow an Investor to trade or sell the Securities easily, (b) it is not possible to predict the prices at which the Securities will trade in such secondary market and (c) there is no assurance that such secondary market will continue. Subject to the rules of any Relevant Stock Exchange, neither the relevant Issuer nor any of its Affiliates is under an obligation to provide a bid or offer price for the

Securities. Therefore, Holders may not be able to sell the Securities easily or at prices reasonably acceptable to them and Investors should only invest in the Securities if they can hold them until their maturity date.

To the extent specified in the Final Terms, applications were made for the listing or admission to trading of the Securities on the relevant securities exchange. Even if the Securities are listed on a securities exchange or are admitted to trading, it cannot be assured that this listing or admission to trading will be maintained. It does not automatically follow that on account of the fact that the Securities of the specified type are listed or admitted to trading that greater liquidity is available than would be available if this were not the case. Subject to the relevant Final Terms, neither the relevant Issuer nor any of its Affiliates is under an obligation to make or provide a secondary market.

If the Securities are not listed on a securities exchange or are not admitted to trading, information about prices is under some circumstances more difficult to obtain and the liquidity of the Securities may be adversely affected. In certain countries, the liquidity of the Securities can also be influenced by input requirements, which limit the purchase and sale of Securities.

If a Holder receives a bid price for the Securities, it may be significantly different from prices determined by pricing models used by the relevant Issuer or any of its Affiliates, other dealers or market participants. Therefore, if such Issuer provides valuations to Holders which are generally based on such models, Holders should not assume that they will be able to dispose of the Securities at prices equal or even close to such valuation. Holders of Securities listed on the SIX should be aware that the SIX generally does not require a mandatory market making for listed securities. Some exemptions apply for actively managed certificates and certain other products. Therefore, even if the Securities are listed on the SIX, Investors cannot rely on the ability to sell the Securities at a specific time or at a specific price.

### **III. Securities listed on a securities exchange may be suspended from trading**

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

## **C. Risk factors relating to the Securities**

*Because the development of the value of the Securities primarily depends on the value of the relevant Underlying or certain underlying components, Investors should, in addition to the sub-sections "General risk factors relating to the Securities" and "Risks associated with specific features of the Securities", carefully review the descriptions in the sub-section "Information on the Underlyings", as well as the other information in the Base Prospectus (including any additional risk factors).*

### **I. General risk factors relating to Securities**

#### **1. Investors risk losing all of their investment in the Securities**

Investors should be aware that depending on the terms of the relevant Securities (a) they may receive no or a limited amount of interest, (b) payments may occur at a different time than expected and (c) except in the case of 100% capital protected Securities, they may lose all or a substantial portion of their investment if the value of the Underlying does not move in the anticipated direction.

#### **2. Prerequisites for a potential investor**

Each Investor should determine whether an investment in the Securities is appropriate in its particular circumstances. An investment in the Securities requires a thorough understanding of the nature of the relevant transaction. Investors should be experienced with respect to capital investments, in particular with investments in Structured Products and be aware of the related risks.

An investment in the Securities is only suitable for Investors who:

- have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Securities and the information contained or incorporated by reference into the Base Prospectus or any applicable supplement thereto;
- understand thoroughly the relevant Final Terms and are familiar with the behavior of interest reference rates and financial markets;
- are capable of bearing the economic risk of an investment in the Securities until the maturity of the Securities or, in the case of Securities without a fixed maturity date, before the Securities are redeemed; and
- recognize that it may not be possible to dispose of the Securities for a substantial period of time, if at all, before maturity or, in the case of Securities without a fixed maturity date, before the Securities are redeemed.

An Investor may not rely on the relevant Issuer or any of its Affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above.

### **3. The Securities are unsecured obligations**

Unless otherwise specified in the relevant Final Terms, the Securities constitute direct, unsecured and unsubordinated obligations of the relevant Issuer which rank equally with all other current and future unsecured and unsubordinated obligations of such Issuer without any preference among themselves and without any preference one above the other by reason of priority of date of issuance, currency of payment or otherwise, except such obligations which rank higher on the basis of mandatory provisions of law.

### **4. The Securities are not subject to authorization by FINMA**

The Securities are derivative financial instruments which do not represent a participation in a collective investment scheme pursuant to articles 7 et seq. of the CISA and thus do not require an authorization by FINMA. Therefore, Holders are not eligible for the specific investor protection under the CISA.

### **5. Capital protection**

If and to the extent the relevant Final Terms provide for capital protection, the relevant Securities will be redeemed at an amount which is not less than the specified capital protection. The capital protection may be at, below or above the principal amount or par value of the Securities. Because the capital protection is specified in relation to the principal amount or par value of the Securities, the Investor has the benefit of capital protection only in this amount, even if the purchase price or issue price paid by the Investor is greater than the principal amount or par value. Capital protection does not apply if the Securities are repaid before the agreed maturity date by operation of section "*Information on the Securities and the Offering–General Terms of the Securities–Early termination*" or section "*Information on the Securities and the Offering–General Terms of the Securities–Redemption of the Securities*" or if the Investor sells the Securities before the maturity date.

If the Final Terms do not explicitly provide for capital protection, then the fundamental risk exists that the Investor will lose the entire amount of the funds invested by it into the Securities. Even if capital protection applies, the risk exists that the capital protected amount is less than the investment made by the Investor. Further, the payment of the capital protected amount is dependent on the financial condition of the relevant Issuer or other circumstances related to it. Consequently, an Investor could lose his Securities investment fully or partially, despite full or partial capital protection, if such Issuer cannot fulfil wholly or only partially his Securities obligations.

If an insolvency or credit risk related to the relevant Issuer materializes, the Holders may sustain a partial or total loss of the amount of their initial investment in the Securities notwithstanding any capital protection.

### **6. Issue price**

Under certain circumstances, the original issue price of the Securities may be higher than the market value of the Securities as at the Issue Date. In particular, the issue price of the Securities may include, in addition to the specified issue charges, administration or other fees (including, without limitation, subscription fees, placement fees, discretion fees and structuring fees), a charge on the mathematical value of the Securities

which at the most is not apparent to Investors. This margin is determined by the relevant Issuer in its sole and absolute discretion and can vary from the charges imposed by other issuers of comparable Securities.

The price at which a potential bidder (including, without limitation, the relevant Issuer) may be willing to purchase the Securities in the secondary market (if any), all other factors being equal, is likely to be less than the original issue price, since the latter included, and secondary market prices are likely to exclude, those projected profits, fees, commissions and other costs. Investors should inform themselves about any additional costs incurred in connection with their investment as well as the custody or sale of the Securities before taking any investment decision.

#### **7. Risk of the limited term**

To the extent not explicitly stated otherwise in the Final Terms, the Securities have a specific term. There is no assurance that potential market losses will be recovered during the term of the Securities. In general, the probability that losses sustained in the interim can be recovered declines during the course of the investment time line.

#### **8. No payments until settlement**

During the term of the Securities, no distributions or repayments are made, with the exception of the payment of a Coupon or other distributions (if any), before the maturity date. Before the maturity date, Investors may obtain potential returns on the Securities only through a sale in the secondary market.

#### **9. The Securities may be redeemed or terminated (as applicable) prior to their scheduled maturity for various unforeseen reasons, and in such case Investors may receive back less than their original investment**

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

- the occurrence of a mandatory early redemption event (such as, without limitation, the price or level of the asset(s) which serve(s) as underlying of the Securities rises above or falls below a pre-defined barrier level), if specified as applicable in the relevant Final Terms of the Securities;
- the exercise by the relevant Issuer of a call option, if specified as applicable in the relevant Final Terms of the Securities;
- the exercise by the Holder of a put option, if specified as applicable in the relevant Final Terms of the Securities;
- the occurrence of an Early Redemption Event (see section "Information on the Securities and the Offering–General Terms of the Securities–Early termination");
- the occurrence of certain events outside of the control of the relevant Issuer or other circumstances in relation to the asset(s) which serve as underlying of the Securities (see section "Information on the Securities and the Offering–General Terms of the Securities–Extraordinary Events"); or
- the occurrence of an event of default with respect to the relevant Issuer (see section "Information on the Securities and the Offering–General Terms of the Securities–Issuer Event of Default").

On Early Redemption or termination due to any of the circumstances described above or such other circumstances as described in the Base Prospectus or the relevant Final Terms, each Holder will receive (subject in the case of an occurrence of an Issuer Event of Default to claims of other creditors) an amount described in the relevant Final Terms which may be less than the original purchase price of the Securities and could be as low as zero. In addition, investors may be subject to reinvestment risk (described below). None of the relevant Issuer, the Lead Manager or any Agent has any liability vis-à-vis the Holder for any losses incurred by them as a consequence of such an Early Redemption or termination.

#### **10. Risks relating to the occurrence of Disruption and Illiquidity Events**

The Securities may be subject to Disruption and Illiquidity Events as described in more detail in section "*Information on the Securities and the Offering–General Terms of the Securities–Extraordinary Events*". The

Calculation Agent or, as the case may be, the relevant Issuer or any other Agent may determine in its sole and absolute discretion whether a Disruption or Illiquidity Event has occurred or exists at any time during the lifetime of the Securities. Any such determination may lead to (a) a postponement or suspension of any payment(s) or delivery/-ies under the Securities, (b) a change of any rate, quote, price or other information that is required to make a determination with respect to the Securities (in particular, but not limited to, the determination of the redemption amount), (c) a redemption of the Securities on a date occurring earlier or later than the scheduled maturity and/or (d) a redemption which is made in another way as envisaged (e.g. by physical delivery of assets instead of a cash settlement or *vice versa*). Any such determination may have an adverse effect on the value and/or the secondary market prices (if any) with respect to the Securities. None of the relevant Issuer or any Agent has any liability vis-à-vis the Holders for any losses incurred by them as a consequence of the determination that a Disruption or Illiquidity Event has occurred.

#### **11. Reinvestment risk**

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

#### **12. Interest rate risk**

An investment in Securities is subject to interest rate risk on account of fluctuations in the interest to be paid on deposits in the currency of the Securities. This may have effects on the market value of the Securities. Interest rates are determined by various factors of supply and demand in international money markets, which are influenced by economic factors, speculation and interventions by central banks and government authorities or other political factors. Fluctuations in short- or long-term interest rates may therefore influence the value of the Securities.

#### **13. Inflation risk**

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Securities. If the inflation rate over the life of the Securities is equal to or higher than the nominal yield of the Securities, the real yield on the Securities can be zero or even negative.

#### **14. Holders may be exposed to exchange rate risks**

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

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

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

#### **15. Certain information may not be known at the beginning of an offer period**

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

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

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

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

#### **16. Purchase of Securities on credit**

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

#### **17. Resale price**

Each of the Issuers may enter into distribution agreements with various financial institutions and other intermediaries chosen by such Issuer. In this case, the relevant dealers agree, subject to the performance of certain conditions, to subscribe for the Securities at a price equal to or lower than the issue price. The dealers agree to bear certain costs in connection with the issue of the Securities. In respect of all issued and outstanding Securities, a regularly recurring fee, the amount of which is determined by the Issuer, may be payable to the dealers up to the maturity date. The amount of the fee can change. The dealers agree to comply with the sales restrictions that are set forth in this document and in the relevant Final Terms, and which are supplemented by additional restrictions in the distribution agreement applicable to the relevant dealer.

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

#### **18. Substitution of the relevant Issuer**

The relevant Issuer may at any time, without the consent of the Holders, be substituted by a Substitute Issuer. With regard to Securities listed at a securities exchange, such substitution may impact the relevant listing of

the Securities and, in particular, make it necessary to reapply for listing on the relevant market or securities exchange on which the Securities are listed. In addition, following such substitution, Holders will become subject to the credit risk of the Substitute Issuer.

#### 19. Substitution of the Underlying

During the term of the Securities, changes in or a substitution of the Underlying by the relevant Issuer (or the Calculation Agent, acting on the relevant Issuer's behalf) can occur. It cannot be ruled out that such changes or substitutions will negatively affect the value of the Securities. Likewise, it cannot be ruled out that in the case of Securities based on an Index, that changes in the composition of the Index as a result of changes or substitutions in respect of individual Index components may negatively affect the price of the Index and accordingly the value of the Securities.

#### 20. Payments under the Securities may be subject to U.S. withholding under the U.S. Internal Revenue Code

A 30% withholding tax or other tax is imposed under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, ("**Section 871(m)**") on certain "dividend equivalents" paid or deemed paid to a non-U.S. Holder with respect to a "specified equity-linked instrument" that references one or more dividend-paying U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. U.S. Treasury Department regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2020.

The relevant Issuer will determine whether dividend equivalents on the Securities are subject to withholding as of the close of the relevant market(s) on the fixing date. If withholding is required, such Issuer (or the applicable Paying Agent) will withhold 30% in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Holders with respect to any such taxes withheld. If the terms and conditions of the Securities provide that all or a portion of the dividends on U.S. underlying equity securities are reinvested in the Underlyings during the term of the Security, the terms and conditions of the Securities may also provide that only 70% of a deemed dividend equivalent will be reinvested. The remaining 30% of such deemed dividend equivalent will be treated, solely for U.S. federal income tax purposes, as having been withheld from a gross dividend equivalent payment due to the investor and remitted to the U.S. Internal Revenue Service on behalf of the investor. The Issuer will withhold amounts required pursuant to section 871(m) of the U.S. Internal Revenue Code and regulations enacted thereunder and pursuant to the terms of its Qualified Intermediary ("QI") Agreement with the U.S. Internal Revenue Service.

Even if the relevant Issuer determines that a Holder's Securities are not specified equity-linked instruments that are subject to withholding on dividend equivalents, it is possible that a Holder's Securities could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the relevant Underlying or Basket Component or a Holder's Securities, and following such occurrence a Holder's Securities could be treated as specified equity-linked instruments that are subject to withholding on dividend equivalent payments. It is also possible that withholding tax or other tax under Section 871(m) could apply to the Securities under these rules if a non-U.S. Holder enters, or has entered, into certain other transactions in respect of the relevant Underlying or Basket Component. As described above, if withholding is required, the relevant Issuer will withhold 30% or at rates as otherwise required pursuant to section 871(m) of the U.S. Internal Revenue Code and regulations enacted thereunder and pursuant to the terms of its QI Agreement with the U.S. Internal Revenue Service in respect of dividend equivalents paid or deemed paid on the Securities and will not pay any additional amounts to the Holders with respect to any such taxes withheld.

Additionally, in the event that withholding is required, the relevant Issuer hereby notifies each Holder that for purposes of Section 871(m), that the relevant Issuer will withhold in respect of dividend equivalents paid or deemed paid on the Securities on the dividend payment date as described in U.S. Treasury Department regulations section 1.1441-2(e)(4) and 1.441-2(e)(7) and section 3.03(B) of the form of Qualified Intermediary Agreement contained in Revenue Procedure 2017-15, as applicable. Regardless of our good-faith efforts as required under applicable US tax rules and regulations to take into account that such investor would otherwise be entitled to an exemption from or reduction of withholding on such payments (e.g., a United States person for U.S. federal income tax purposes or a non-United States person eligible for an exemption from or reduction in withholding pursuant to an income tax treaty) , **there is the risk that withholding**

**will be done at a higher rate and that Holder will not be able to successfully claim a refund of the tax withheld in excess of the tax rate that would otherwise apply to such payments.**

Each Holder acknowledges and agrees that in the event that a Security references an Index as the Underlying or Basket Component, as the case may be, then regardless of whether the relevant Underlying or Basket Component is a net price return, a price return or a total return index, the payments on the Securities (including any amounts deemed reinvested in the Security) will reflect the gross dividend payments paid by the issuers of the securities comprising the index less applicable withholding tax amounts in respect of such gross dividends, which in the case of U.S. source dividends, will be paid by or on behalf of the relevant Issuer to the U.S. Internal Revenue Service in accordance with the U.S. withholding tax rules under Section 871(m).

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

#### **21. Payments under the Securities may be subject to U.S. withholding under FATCA**

U.S.-source payments made in connection with the Securities may be subject to a 30 percent U.S. withholding tax under the Foreign Account Tax Compliance Act ("**FATCA**"). FATCA imposes a 30 percent U.S. withholding tax on "withholdable payments", which include U.S.-source dividends, interest, rents and other "fixed or determinable annual or periodical income" as determined pursuant to U.S. Treasury Department regulations section 1.1473-1(a), paid to (x) "foreign financial institutions" ("**FFIs**") unless they disclose their direct and indirect U.S. account holders to the U.S. Internal Revenue Service (the "**IRS**") or to the tax authorities in their own jurisdictions (if the governmental authorities in their own jurisdictions have entered into FATCA intergovernmental agreements with the United States) and fulfil other FATCA compliance obligations applicable to FFIs (or are exempt from such obligations under FATCA), and (y) certain "non-financial foreign entities" (i.e., foreign (non-U.S.) entities that are not FFIs) unless they provide information regarding any "substantial U.S. owners" (i.e., certain direct and indirect U.S. persons that own more than 10% of the interests in the subject non-financial foreign entity) or, in certain jurisdictions, any specified "controlling persons" of the entity, or are otherwise exempt from such obligations under FATCA. Currently according to proposed U.S. Treasury Department regulations, withholdable payments do not include certain U.S.-source gross proceeds; however, future guidance could change the treatment of such U.S.-source gross proceeds for FATCA withholding purposes. Also pursuant to proposed U.S. Treasury Department regulations, withholding has been deferred on payments that are classified as "foreign passthru payments" until the date that is two years after the date of publication of final U.S. Treasury Regulations defining the term "foreign passthru payment"; however, future guidance could change the treatment of such "foreign passthru payments" for FATCA withholding purposes.

Switzerland, Guernsey, and other jurisdictions have each entered into a FATCA intergovernmental agreement with the United States (an "**IGA**"). Under an IGA, to avoid being withheld upon with respect to withholdable payments under FATCA, FFIs that are not otherwise exempt under the applicable IGA from FATCA compliance obligations must register with the IRS and either (a) under a "Model 2" IGA (including, among others, the IGA currently in effect between Switzerland and the United States), agree to report to the IRS certain information about their U.S. accounts, including accounts of certain foreign entities with substantial U.S. owners or U.S. controlling persons (an "**FFI Agreement**"), or (b) under a "Model 1" IGA, comply with the due diligence and reporting requirements implemented by the tax authority in their own jurisdiction of residence. FFIs in jurisdictions without an IGA with the United States must likewise take compliance measures to avoid being withheld upon under FATCA, unless otherwise exempt from such compliance obligations under applicable U.S. Treasury FATCA Regulations. Each of the relevant Issuers has entered into an FFI Agreement (with the Issuer's Global Intermediary Identification Number CJ1W.00000.LE.756 for Switzerland) with the IRS and intends to continue to comply with the requirements thereunder and with the requirements imposed on Swiss financial institutions according to Swiss laws and regulations implementing the IGA between Switzerland and the United States, or the Issuer has otherwise implemented compliance with FATCA according to the terms of an applicable Model 1 IGA (with the Issuer's Global Intermediary Identification Number CJ1W.00003.ME.831 for Guernsey) and intends to continue to comply with the requirements thereunder and with the requirements imposed on Guernsey financial institutions according to Guernsey laws and regulations implementing the IGA between Guernsey and the United States. Whilst the Securities are in global form and held within the clearing systems, in most cases it is not expected that the new reporting regime and potential withholding tax imposed by FATCA will affect the amount of any

payment received by the clearing systems. We cannot, however, guarantee that payments made to the relevant Issuer or to any Investor will not be subject to withholding under FATCA. FATCA may affect payments made to custodians or intermediaries (including any clearing system other than Euroclear or Clearstream, Luxembourg) in the payment chain leading to the Investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA withholding also may affect payments to: (a) any Investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA (including without limitation any Investor that is a non-participating foreign financial institution for FATCA purposes); (b) any Investor that is a non-U.S. entity that is not a financial institution and that does not, if required based on its FATCA status, provide certification regarding its substantial owners or controlling persons that are U.S. persons, if any; and (c) any Investor that fails to provide its broker (or other custodian or intermediary from which it receives a payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

Investors should choose their custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA, including any legislation implementing intergovernmental agreements relating to FATCA, if applicable), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them in their specific circumstances. The obligations of the relevant Issuer under the Securities are discharged once it has paid the clearing systems and it therefore has no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries or for any FATCA withholding that may apply.

Each of the Issuers does not expect that it will be required under FATCA to report the equity or debt interests in the relevant Issuer represented by the Securities, unless the value of, or return on, the Securities is determined, directly or indirectly, primarily by reference to profits or assets of a U.S. person or equity interests in a U.S. person or the Securities are convertible into equity interests in a U.S. person. An interest in the Securities should therefore not constitute a Financial Account for FATCA purposes according to the terms of the IGA between the United States and Switzerland or the IGA between the United States and Guernsey, each referencing applicable U.S. Treasury FATCA Regulations. In the case that an interest in the Securities could constitute a Financial Account for FATCA purposes, under the Terms and Conditions of the Securities, **a Holder agrees or is deemed to agree to provide any information required for FATCA compliance, and to permit this information to be reported to the IRS if required to be reported according to an applicable IGA and/or applicable local laws, regulations and guidance implementing FATCA.**

## 22. Risks Relating to the CRS and Automatic Exchange of Information

The Common Reporting Standard ("CRS") developed by the Organization for Economic Co-Operation and Development ("OECD") was approved by the OECD Council on 15 July 2014 and amended on 6 June 2017. CRS sets forth a model information reporting and exchange system whereby implementing jurisdictions will obtain information from resident financial institutions ("FIs") and automatically exchange that information with other jurisdictions on an annual basis. The CRS further sets out the financial account information to be exchanged, the categories of FIs required to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by FIs.

The CRS requires an implementing jurisdiction to enact domestic legislation and guidance, according to which FIs will be required to conduct due diligence review of their "account holders" (including holders of debt or equity interests in certain FIs) and report account information to their domestic tax authority with respect to account holders or, in certain cases, other reportable persons who are tax resident in a "Reportable Jurisdiction". A "Reportable Jurisdiction" is another CRS-implementing jurisdiction with which an agreement is in place with the reporting jurisdiction, pursuant to which there is an obligation to provide the information specified in the CRS. Accordingly, the domestic tax authority of the reporting jurisdiction will then exchange the specified account information with the tax authority of the Reportable Jurisdiction.

Switzerland and Guernsey have each committed to adoption of the CRS, having respectively implemented the CRS in the following, among further guidance: (1) with respect to Switzerland, Swiss law through the implementing law (*Bundesgesetz über den internationalen automatischen Informationsaustausch in Steuersachen of 18 December 2015*), implementing regulations (*Verordnung über den internationalen automatischen Informationsaustausch in Steuersachen*), and the implementing guidance (*Wegleitung – Standard für den automatischen Informationsaustausch über Finanzkonten Gemeinsamer Meldestandard*);

and (2) with respect to Guernsey, Sections 75C and 75CC of the Income Tax (Guernsey) Law (1975), The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations (2015), AEOI Supplementary Guernsey Guidance Notes.

The first CRS reporting to Reportable Jurisdictions by Switzerland occurred in 2018 with respect to information pertaining to calendar year 2017. The first CRS reporting to Reportable Jurisdictions by Guernsey occurred in 2017 with respect to information pertaining to calendar year 2016. Currently, over 70 jurisdictions are treated as Reportable Jurisdictions for Swiss CRS purposes and over 65 jurisdictions are treated as Reportable Jurisdictions for Guernsey CRS purposes, including (among others) all of the member states of the European Union. Additional jurisdictions continue to be added as Reportable Jurisdictions by Switzerland and Guernsey over time. The Swiss Federal Department of Finance and the Guernsey Revenue Service each maintains an online list of current Reportable Jurisdictions, and the OECD maintains an online list of activated exchange relationships for CRS information.

A debt or equity interest in an FI that is classified as an "Investment Entity" is a financial account for CRS purposes, unless an exemption applies. In case the relevant Issuer is an Investment Entity for CRS purposes, then it will be required to conduct due diligence and reporting with respect to interests held in the Securities. Such reportable information would include identifying information and account information of the Investors and any other account holders of equity interests and debt interests in the relevant Issuer (or, in the case of certain entity account holders, information regarding the entities and certain persons who control such entities ("**Controlling Persons**")), where the account holder's or Controlling Person's tax residence jurisdiction is a Reportable Jurisdiction with respect to Switzerland. Such information would be reportable by the relevant Issuer to the Swiss tax authority, which will then exchange the information with the Reportable Jurisdiction tax authority. Thus, in the case that an interest in the Securities could constitute a Financial Account for CRS purposes, under the Terms and Conditions of the Securities, a Holder agrees or is deemed to agree to provide any information required for CRS compliance, and to permit this information to be reported to the Swiss Federal Tax Administration or the Guernsey Revenue Service, as appropriate, for exchange to other appropriate tax administrations, if required to be reported according to CRS as implemented under Swiss or Guernsey laws, regulations and guidance.

Prospective Investors are encouraged to consult their own advisors regarding the possible application of CRS, as implemented by Switzerland and/or Guernsey and any other applicable jurisdictions, to the relevant Issuer and/or in relation to its impact on their holding of the Securities.

### 23. Determinations by the Calculation Agent

Depending on the type of the respective Securities, the Calculation Agent may have broad discretion authority to make various determinations and adjustments under the Securities, any of which may have an adverse effect on the market value thereof or any amounts payable or other benefits to be received thereunder. The Calculation Agent will make any such determination at its reasonable discretion and in a commercially reasonable manner. Investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any determination made by, the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the relevant Issuer and the Holders.

### 24. Legal investment considerations may restrict certain investments

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

### 25. Risks associated with the regulation and reform of benchmarks

Reference rates, interest rates, Indices, Baskets or other rates used as Underlyings for the purposes of the Securities may generally constitute benchmarks and as such may be subject to supervisory law regulations and reform proposals (such Underlying is also referred to as "**Benchmark**").

Innovations such as the ones introduced by IOSCO's Principles for Financial Benchmarks (the "**IOSCO Principles**") and the Regulation (EU) 2016/1011 of the European Council and the Parliament of 8 June 2016 on Indices used as benchmarks in certain financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmarks Regulation**") may result in the different performance of the relevant Benchmarks. It may exclude Benchmarks from being used as Underlyings for example, because the Benchmarks may incur higher costs if regulatory requirements for the administrator are tightened or because certain uses by EU supervised entities of Benchmarks provided by administrators that are not authorized or registered (or, if located outside the EU, deemed equivalent or recognized or endorsed) are prohibited by the EU Benchmarks Regulation.

Benchmarks such as reference rates, interest rates, Indices, Baskets or other rates used as Underlyings in connection with the Securities may also be affected by regulatory guidance and reform or changes in policy at national, as well as at international level. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the London Interbank Offered Rate ("**LIBOR**") benchmark after 2021. This may, in particular, lead to a substitution of LIBOR as Underlying in accordance with the Terms and Conditions of the Securities. Further national or international regulatory reforms may have other effects which are not foreseeable at present.

More generally, any of the above changes or any other consequential changes to LIBOR, EURIBOR, or any other Benchmark as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, 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. Investors should be aware that each of these changes may have a material adverse effect on the level or availability of the Benchmark and consequently on the value of the Securities. The disappearance of a Benchmark or changes in the manner of administration of a Benchmark could result in fallback provisions specified in the Terms and Conditions of the Securities to become applicable or early termination rights to become available to the relevant Issuer or other consequences in relation to Securities linked to such Benchmark. Any such consequence could have a material adverse effect on the value, volatility of and return of any Securities based on or linked to a Benchmark.

## **26. Regulatory consequences for Holders of Securities with certain assets as Underlying**

There may be regulatory and/or other consequences associated with the ownership by certain Holders of Securities with certain Underlyings. Each Holder must conduct its own investigation into its regulatory position with respect to a potential investment in Securities, and neither the relevant Issuer nor any Agent or any of their respective Affiliates assumes any obligation of liability whatsoever to the Holder in this regard.

## **II. Risks associated with specific features of the Securities**

### **1. General risks associated with Securities that are linked to underlying asset(s)**

#### **(a) No legal or beneficial rights in the underlying asset(s)**

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

#### **(b) The performance of the Securities may differ significantly from a direct investment in the underlying asset(s)**

Securities which are linked to underlying asset(s) represent an investment linked to the economic performance of the respective underlying asset(s). The return on the Securities (if any) will depend upon the performance of such underlying asset(s) and an Investor should not invest in such Securities if it does not fully understand (either alone, or with the help of any professional advisers) how the performance of the relevant underlying

asset(s) may affect the return on the Securities. However, potential investors should be aware that an investment in the Securities is not equivalent to investing directly in the underlying asset(s). Changes in the value of any underlying asset may not necessarily lead to a comparable change in the market value of the Securities. As a result, the performance of the Securities may differ significantly from a direct investment in the underlying asset(s).

**(c) The past performance of an underlying asset is not indicative of future performance**

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

**(d) Risks associated with Securities whose profit potential is capped**

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

**(e) A leverage feature increases the potential loss (or gain) on the Securities**

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

**(f) A multiplier or leverage factor of less than one means that the Holders will not share in the full performance of the asset(s) which serve as Underlying of the Securities**

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

**2. Risks associated with Securities with Shares as underlying assets**

**(a) Actions by Share issuer may have a negative impact on the value of the Securities**

The issuer of Shares which serve as the Underlying is not involved in the issuance of the Securities in any way and has no obligation to consider the interests of the Holders in taking any corporate actions that might negatively affect the value of the Securities. The relevant Issuer will not make any investigation or enquiry in connection with any such Share issuer or Shares. No assurances are made by the Issuer that all events occurring prior to the Issue Date that would affect the trading price of the relevant Share or Shares will have been publicly disclosed by the Share issuer. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events with regard to the Share issuer could affect the market value of the underlying Share and consequently the market value of the Securities.

**(b) No claim or right against the Share issuer**

Securities with Shares as Underlying do not represent a claim against the Share issuer, and, in the event of any loss under the Securities, a Holder will have no right of recourse against the Share issuer, nor shall a Holder have any legal, beneficial or other interest whatsoever in the assets of the Share issuer.

- (c) Factors affecting the performance of the underlying Shares may adversely affect the value of the Securities

The performance of the Shares which serve as Underlying of the Securities is dependent upon external factors. These factors are not within the Issuer's control and may result in a decline in the value of the Securities.

- (d) Holders may receive physical settlement of Shares in lieu of payment of cash amounts

Securities with Shares as Underlying may include the right of the Issuer, subject to the fulfilment of certain conditions, to redeem the Securities at their maturity or prior to their maturity by delivering the underlying Shares to the Holders rather than a cash amount. Any Investor in such Securities will therefore be exposed to the issuer of the relevant Shares and the risks associated with such Shares to be delivered. Investors should not assume that they will be able to sell such delivered Shares for a specific price after the redemption of the Securities. Under certain circumstances the delivered Shares may only have a very low value or may, in fact, be worthless. The respective Investor may also be subject to documentary or stamp taxes and/or other charges in relation to the delivery and/or disposal of such Shares.

- (e) Holders may have no voting rights or right to receive dividends or distributions in respect of the relevant Shares

Except as provided in the relevant Final Terms, Securities with Shares as Underlying do not grant their respective Holders any voting rights or any other right with respect to the relevant Shares to which such Securities relate. Similarly, the relevant Holders will not have the right to receive dividends or distributions except if otherwise provided in the relevant Final Terms. As a result, the return on the Securities may not reflect the return an Investor would realize if it actually owned those relevant Shares and received the dividends paid or other distributions made in connection with them.

### 3. Risks associated with Securities with Commodities as Underlying

- (a) Commodity prices may change unpredictably, affecting the value of Commodities and the value of Securities with Commodities as Underlying

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

- (b) Holders of Securities with Commodities as Underlying may bear an (implicit) currency exchange risk

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

- (c) Commodities are traded 24 hours a day leading to the risk that events or factors relevant in connection with the Securities occur outside of the business hours of the place where the Securities are offered and/or traded

Commodities are traded 24 hours a day as a result of the global time zones. It is therefore possible that an event that is material with respect to the specific Securities or a factor relevant for the determination of any right granted by the Securities may occur or be determined outside the business hours of the place where the Securities are offered and/or traded.

- (d) Commodities may potentially become subject to additional regulation in the future

Commodities are subject to legal and regulatory regimes that may change in ways that could adversely affect the ability of the relevant Issuer to hedge its obligations under the Securities and consequently adversely affect the value of the Securities. Such legal and regulatory changes could lead to the Early Redemption or termination of the Securities or to the adjustment of the Terms and Conditions of the Securities.

#### **4. Risks associated with Securities with a Basket as Underlying that comprises a number of underlying assets**

##### **(a) Exposure to the performance of the Basket and its components**

Where Securities have a Basket of assets as Underlying, Holders are exposed to the performance of each underlying asset comprised in the Basket.

##### **(b) A high correlation of Basket Components may have a significant effect on amounts payable**

Investors should consider the level of correlation between each of the Basket Components with respect to the performance of the Basket. Past rates of correlation may not be determinative of future rates of correlation. Investors should be aware that, though Basket Components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general economic downturn or other economic or political event. Where the Basket Components are subject to high correlation, any move in the performance of the Basket Components will exaggerate the performance of the Securities.

##### **(c) Risks associated with Baskets with few constituents or with unequally weighted Baskets**

The performance of a Basket with fewer constituents will be more affected by changes in the values of any particular Basket Component than a Basket with a greater number of Basket Components. The performance of a Basket that gives a greater weight to certain Basket Components as compared to other Basket Components will further be more affected by changes in the value of the Basket Components having such greater weight than a Basket which apportions an equal weight to each Basket Component. Even in the case of a positive performance of one or several Basket Components, the overall performance of the Basket may be worse or even negative if the performance of the other Basket Components is negative to a greater extent.

#### **5. Risks associated with Securities with an Index or Indices as 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, bonds, currency exchange rates, Commodities, property or other assets. The performance of an Index is dependent upon the macroeconomic factors relating to the Index components, which may include interest and price levels on the capital markets, currency developments, political factors and, in case of Shares, company-specific factors such as earnings position, market position, risk situation, market liquidity, shareholder structure and dividend policy. If an Index does not perform as expected, this will materially and adversely affect the value of the Securities.

##### **(b) An investment in Securities with an Index or Indices as Underlying entails different risks than a direct investment in the Underlyings of the respective Index or Indices**

The return payable or deliverable on any Securities with an Index or Indices as Underlying may not reflect the return that an Investor would realize if it actually owned the relevant assets comprising the components of the Index or owned a different form of interest in the relevant Index. Investors in Securities that reference an Index or Indices may receive a lower payment upon redemption or settlement of such Securities than any return such an Investor would have received if it had invested in the components of the Index or Indices directly or other comparable instruments linked to the Index.

##### **(c) A change in the composition, methodology or policy used in compiling the Index could adversely affect the market value of the Securities**

Components of an Index may be added, deleted or substituted at the discretion of the index sponsor. The methodology used to calculate the level of the Index may also be altered. Such changes may have a detrimental impact on the Index level, which in turn could have a negative effect on payments to be made to the Holders.

## **6. Risks associated with investment products with additional credit risk**

### **(a) Linkage to the creditworthiness of reference entities**

Securities linked to the creditworthiness of one or more reference entities also named to as "investment products with additional credit risk" differ from ordinary Securities in that the amount of the outstanding nominal or par value and any coupon payments payable by the issuer depend on whether a "credit event" relating to the reference entity has occurred during the term of the Security or another reference period defined in the product terms and conditions (e.g. notice delivery period). Possible credit events include, for example, bankruptcy, insolvency, obligation acceleration, obligation default, rescission/moratorium and restructuring. As it is not possible to predict whether a credit event may occur with respect to a reference entity, the return on the securities is not predictable.

The likelihood of the occurrence of a credit event with respect to the reference entity generally fluctuates depending on, among other things, the financial condition and other characteristics of the reference entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in a particular industry and changes in prevailing interest rates. Such fluctuations may reduce the value of Securities linked to the reference entity, even if no credit event has occurred. Prospective investors should thoroughly consider the creditworthiness of the reference entity and the likelihood of the occurrence of a credit Event with respect to the Reference Entity and conduct their own investigation and analysis. Actions taken by a reference entity (e.g., a merger or demerger or the repayment or transfer of indebtedness) may also adversely affect the value of these Securities.

If a credit event with respect to the reference entity occurs during the term of the Security or another reference period defined in the product terms and conditions (e.g. notice delivery period), the relevant Securities will, unless otherwise specified in the Final Terms, (a) cease to bear interest from the scheduled coupon payment date immediately preceding the date the relevant credit event occurred or immediately preceding the issue date and (b) be redeemed at the redemption amount or partial redemption amount, as applicable, on the redemption date, each as specified in the Final Terms. This redemption amount or partial redemption amount will generally be significantly lower than the nominal or par value of the Securities and may in certain circumstances be zero.

In the worst case (a) a credit event occurs prior to the first scheduled coupon payment date with respect to the reference entity, with the result that no interest payments on the Securities will be made, and (b) the redemption amount is determined to be zero. In this case, the Securities holder would suffer a total loss of its initial investment.

### **(b) Credit events prior to the Issue Date or the Initial Fixing Date**

The reference period during which a credit event has to occur in order to affect the Securities negatively as described above commences prior to the Issue Date, on the Initial Fixing Date, unless otherwise specified in the Final Terms. Neither the Calculation Agent nor the Issuers nor any of their respective affiliates is responsible for avoiding or mitigating the effects of a credit event that has occurred prior to the Issue Date or the Initial Fixing Date, as the case may be.

## **7. Risks associated with Securities with non-equity securities as Underlying**

### **(a) Risks in connection with factors that may adversely affect the performance of the non-equity securities**

The market value of the non-equity securities as debt instruments is dependent upon the credit rating of the respective issuer(s) and, in addition to that, from macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and factors specific to the respective issuer, such as earnings position, market position, risk situation, shareholder structure and distribution policy. These

factors that may affect the performance of the non-equity security(s) may also adversely affect the market value of, and the return (if any) on, the Securities linked thereto.

**(b) Risk of a restricted and illiquid secondary market**

In the case of Securities with non-equity securities as Underlying, investors should note that the secondary market for such non-equity securities may be restricted. This is often because the Issuer of the respective non-equity securities is often the sole market maker for them. It therefore remains uncertain whether and to what extent a secondary market for the non-equity securities will develop and whether this secondary market will be liquid or not. The consequence of this is that the price of the non-equity security(s) depends on the price determination by their issuers in their capacity as market makers.

**(c) No claim against the issuer of the non-equity security or recourse to the non-equity security(s)**

Securities with non-equity securities as Underlying do not represent a claim against the relevant Issuer of the non-equity securities and investors in such Securities will not have any right of recourse under such Securities to such non-equity securities or the relevant Issuer of the non-equity securities.

An investment in Securities linked to one or more non-equity securities does not result in any right to receive information from the respective issuer in respect of the non-equity securities or distributions on the non-equity securities. Accordingly, the relevant issuer of may take any actions in respect of the non-equity securities without regard to the interests of the investors in Securities linked thereto, and any of these actions could adversely affect the market value of such Securities.

**(d) Additional Issuer Risk**

In the case of debt securities as the Underlying, the investor bears the insolvency risk of the third party issuer of the non-equity securities in addition to the insolvency risk of the Issuer of the Securities described in this Base Prospectus. The creditworthiness of the third party issuer may be (significantly) lower than that of the issuer of the Securities, with a correspondingly higher risk of default. The insolvency of the third party issuer of the non-equity securities may result in the non-equity securities and, where applicable, the Securities relating thereto becoming worthless. For the investor, there is therefore in principle an additional risk of loss, in the worst case even total loss.

**(e) Risk that the return on the Securities does not reflect the return on a direct investment in the non-equity security(s)**

An investor's return on Securities that are linked to one or more non-equity securities may not reflect the return such investor would realize if he or she actually owned the relevant non-equity security(s). For example, investors in Securities linked to a non-equity security will not receive any interest payments on such non-equity security during the term of such Security. Accordingly, an investor in any such Security may achieve a lower return on investment (if any) than such investor would have received if he or she had invested in the non-equity security directly.

**(f) Risks if the non-equity security(s) as Underlying is a Tracker Certificate of the Issuer or a third party issuer**

In addition to the risks listed in lit. (a) to (e), the following risks, among others, may occur with (static as well as dynamic) Tracker Certificates (including Exchange Traded Products ("ETPs"), Exchange Traded Notes ("ETNs") or Exchange Traded Commodities ("ETCs")) as Underlyings or underlying components:

**(i) Conflict of Interest in the case of Tracker Certificates of the Issuer as the Underlying**

In the case of Tracker Certificates issued by the Issuers of the Securities presented in this Base Prospectus, the Issuer (either itself and/or through any of its Affiliates or through non-affiliated third parties) may exercise

other functions and act, for example, as calculation agent, paying agent, administrator or index sponsor. In the function as Issuer as well as in the exercise of other functions, the interests of the Issuer of the Underlyings or underlying components, as the case may be, may be opposed to the interests of the holders of the Securities and may possibly not be advantageous for the holders of the Securities. Therefore, they may have an adverse effect on the value of an Underlying or an underlying component and thus also on the value of the Securities.

In order to better understand the risks associated with conflicts of interest, investors should consult section "D. Possible Conflicts of Interest" and consider the conflicts of interest mentioned therein when making their investment decision.

#### (ii) Fees at different levels

Fees and costs of various kinds are incurred at the level of the Tracker Certificates as Underlyings or underlying components. These fees and costs may have a material adverse effect on the value of the Tracker Certificates. Fees that are charged in connection with a Tracker Certificate may be incurred at various levels. Normally, fees, e.g. management fees for dynamic tracker certificates, are incurred at the level of the tracker certificate. In addition, however, expenses and costs may be incurred if the services of third parties, e.g. an investment manager, are used in connection with the active management of the Tracker Certificate. With respect to the investments of the Tracker Certificate, further costs such as transaction costs, rebalancing or performance fees may be incurred. Performance fees may create an inducement to invest the assets of the tracker certificate in a more risk-oriented or speculative manner.

The fees at the level of the Underlying or underlying component are in addition to the fees at the level of the Security.

#### (iii) Dependence on Investment Manager

In the case of actively managed tracker certificates as Underlying or underlying component, the performance depends on the investments selected by the Investment Manager to implement the respective investment strategy. In practice, the performance of the tracker certificate strongly depends on the expertise of the investment manager responsible for the investment decisions. The investment strategies, investment restrictions and investment objectives of a Tracker Certificate may allow for significant discretion by the Investment Manager in investing in the relevant assets and there can be no assurance that such investment decisions will result in profits or that these constitute an effective hedge against market or other risks. No warranty can be given that the investment manager will be able to successfully implement the investment strategy as set forth in the Tracker Certificate Documents. In addition, the applicable law may differ and the investment manager of the tracker certificate may be subject to different, possibly not equivalent, regulation as the investment manager of the Security.

#### (iv) Valuation

If the Underlying or the underlying component, as the case may be, has been issued by a third party Issuer, the valuation will not be carried by the respective Issuer of the Security. Accordingly, the type and frequency of the valuation as well as its availability may differ adversely from the valuation of the underlying component. This may lead to an adverse distortion of the valuation of the Security based on the valuation of the underlying component. The respective Issuer has no influence on the valuation of the underlying component by a third party Issuer and is not obliged to verify it.

#### (v) Risks relating to specific underlying components of the Tracker Certificates

The performance of tracker certificates is dependent upon the same macroeconomic factors that affect the performance of the investments or underlying components contained in the tracker certificate which may include, among other things, the interest and price level on the capital markets, commodity prices, 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. Therefore, in addition to the structure-specific risks of the tracker certificates, the risks of the investments they contain must also be taken into account.

## **8. Risks associated with Securities with fund units as Underlying**

Unless otherwise stated below, the risk information relates to both Exchange Traded Funds and not exchange traded fund units.

### **(a) Risk in connection with factors that may adversely affect the performance of the fund units**

The performance of a fund is dependent upon the same macroeconomic factors that affect the performance of such assets contained in the fund's portfolio which may include, for example, the interest and price level on the capital markets, commodity prices, 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. These factors that affect the performance of the fund, may also adversely affect the market value, and the return (if any) on, the Securities linked thereto. Therefore, in addition to the structure-specific risks of the fund units, the risks of the investments contained therein must also be taken into account.

### **(b) Risk that the return on the Securities does not reflect the return on a direct investment in the assets included in the portfolio of the fund**

An investor's return on Securities linked to one or funds may not reflect the return such investor would realize if he or she actually owned the relevant assets included in the portfolio(s) of the fund(s). In particular, no assurance can be given that the performance of a fund will be identical to the performance of the assets which it intends to replicate due to many factors. For example, if the portfolio of the fund(s) includes shares or a share index, investors in the Securities linked to such fund will not receive any dividends paid on such shares or the shares included in such share index and will not benefit from those dividends unless such fund takes such dividends into account for purposes of calculating the value of such fund, as applicable. Accordingly, an investor in Securities linked to fund(s) may achieve a lower return on investment (if any) than such investor would have received, if he or she had directly invested in the assets included in the portfolio of such fund(s).

### **(c) Dependence on the investment manager of the fund(s) used as Underlying(s)**

The performance of the fund(s) used as Underlying(s), depends on the performance of the investments selected by the investment manager to implement the relevant investment strategy. In practice, the performance of the fund is highly dependent on the expertise of the investment manager responsible for the investment decisions. If such investment manager leaves the fund or is replaced, this may result in losses and/or liquidation of the relevant fund. A fund's investment strategies, investment restrictions and investment objectives may permit substantial discretion by the investment manager in investing in the relevant assets and there can be no assurance that the investment manager's investment decisions will result in profits or that these will constitute an effective hedge against market or other risks. No warranty can be given that the fund will be able to successfully implement its investment strategy as set forth in its documentation.

### **(d) Concentration risks**

The fund used as the Underlying may in accordance with its fund rules concentrate its assets with a focus on certain countries, regions or industry sectors. This can result in the fund being subject to a higher volatility as compared to funds with a broader diversification as regards countries, regions or industry sectors. The value of investments in certain sectors, countries or regions may be subject to strong volatility within short periods of time. This also applies to funds focusing their investments on certain asset classes such as commodities. Funds investing their assets in less regulated, small and exotic markets, are subject to certain further risks. Such risks may include the risk of government interventions resulting in a total or partial loss of assets or of

the ability to acquire or sell them at the fund's discretion. Such markets may not be regulated in a manner typically expected from more developed markets. If a fund concentrates its assets in emerging markets, this may involve a higher degree of risk as exchanges and markets in these emerging market countries may be subject to stronger volatility. Political changes, foreign currency exchange restrictions, foreign exchange controls, taxes, restrictions on foreign investments and repatriation of invested capital can have a negative impact on the investment result and therefore the value of the fund units in the fund.

#### (e) Conflicts of Interest

In the operation of the fund used as the Underlying certain conflicts of interest may arise that can have negative impact on the fund's performance. For persons involved in the fund management or advisory activities in relation to the fund conflicts of interest can arise from retrocessions or other inducements. In addition, persons involved in the fund management or advisory activities to the fund, or their employees may provide services such as management, trading or advisory services for third parties at the same time. Although they will usually aim to distribute the investment opportunities equally to their clients, the fund portfolio and portfolios of other clients may differ even if their investment objectives are similar. Any of these persons might be induced to allocate lucrative assets first to a portfolio involving the highest fees. Persons providing management, trading or advisory services to the fund may make recommendations or enter into transactions which are different to those of the fund or may even compete with the fund.

#### (f) Fees on different levels

Fees charged by the fund used as the Underlying may have a significant negative impact on the value of the fund units and the net asset value of the fund. Fees charged in relation to a fund can be incurred on different levels. Usually fees, e.g. management fees, are incurred at fund level. In addition, expenses and cost may be incurred when the services of third parties are commissioned in connection with the fund administration. With respect to investments made by the fund, such as investments in other funds or other collective investment vehicles, further charges might be incurred. This may have a negative impact on these investments and, consequently, in the fund's performance.

Performance fees may be agreed upon on the level of the fund. Such fee arrangements can create an inducement to invest assets in a more risk oriented or speculative manner than would be the case if no performance fee arrangement existed. Performance fees may even be incurred where the overall fund performance is negative. Consequently performance fees can be incurred on the level of the fund even if an investment in the Securities results in a loss to the investor.

The fees at the level of the fund as Underlying are in addition to the fees at the level of the Security.

#### (g) Investor protection

Swiss funds and the offering of foreign funds in Switzerland to non-qualified investors require prior approval of the relevant fund documents by FINMA. Swiss funds are supervised by FINMA; however, foreign funds authorized by FINMA are primarily supervised by the supervisory authority of their country of domicile.

In the case of fund units established under Swiss law, in the event of bankruptcy the assets held in the fund are segregated from the bankruptcy proceedings and paid out to the investors. However, only investors who are directly invested in the fund units are entitled to this investor protection, but not holders of Securities with fund units as underlying assets. However, if the Issuer of the Securities has hedged itself by purchasing the corresponding fund units, it will credit any proceeds from the bankruptcy proceedings to the corresponding Security as far as possible.

Foreign funds may not be regulated or may invest in investment vehicles that are not subject to regulation. Foreign funds may not provide the same or any investor protection as in Switzerland.

#### (h) Term Exchange Traded Fund or ETF; Listing

An Exchange Traded Fund is a fund managed by a domestic or foreign management company or, as the case may be, an estate organized as a corporate fund, whose fund units are listed on a securities exchange. No assurance is given that such admission or listing will be maintained during the whole life of the Securities. In addition, a listing does not imply that the fund units are liquid at any time and, hence, may be sold via the securities exchange at any time, since trading in the securities exchange may be suspended in accordance with the relevant trading rules.

#### (i) Pricing Factors and Use of Estimates for Exchange Traded Funds

The price of the ETF used as the Underlying – as in the case of a fund unit not traded on a securities exchange - mainly depends in the price per unit of the ETF and, consequently, on the aggregate value of assets held by the ETF less any liabilities, so-called net asset value.

As ETFs generally calculate their net asset value on a daily basis only, the price of the ETF as continuously published by the securities exchange is usually based on the estimated net asset values. These estimates may differ from the final net asset value as subsequently published by the funds. Therefore, the general risks during trading hours exists that the performance of the ETF and of its actual net asset value may deviate.

The respective Issuer has no influence on the valuation of the ETF - unless it itself and/or through an affiliated company acts as market maker for the ETF - and is not obliged to verify it.

#### (j) Replication of the performance of a benchmark and tracking error Exchange Traded Funds

ETFs are designed to replicate as closely as possible the performance of an index, basket or specific single assets (each an "ETF-Benchmark"). However, the ETF conditions can allow an ETF-Benchmark to be substituted, and therefore an ETF might not always replicate the original ETF-Benchmark. For the purpose of tracking an ETF-Benchmark, ETFs can use full replication and invest directly in all components comprised in the ETF-Benchmark, or synthetic replication using for example a swap, or other tracking techniques such as sampling. The value of the ETFs is therefore in particular based on the performance of the holdings used to replicate the ETF-Benchmark. There is the risk that the performance of the ETF differs from the performance of the ETF-Benchmark (tracking error).

Unlike other funds, ETFs are usually not actively managed by the management company of the ETF. In fact, investment decisions are determined by the relevant ETF-Benchmark and its components. In case that the underlying ETF-Benchmark shows a negative performance, ETFs are subject to an unlimited performance risk in particular when they are using full replication or synthetic replication techniques. This can have a negative impact on the performance of the Securities.

Tracking an ETF-Benchmark typically entails further risks:

- An ETF using a full replication technique for tracking the performance of the ETF-Benchmark may not be able to acquire all components of that ETF-Benchmark or sell them at reasonable prices. This can affect the ETF's ability to replicate the ETF-Benchmark and may have a negative effect on the ETF's overall performance
- ETFs using swaps for synthetic replication of the ETF-Benchmark may be exposed to the risk of a default of their swap counterparties and may suffer a substantial loss at most.
- If ETFs use derivatives to replicate or to hedge its positions, this may result in losses which are significantly higher than any losses of the ETF-Benchmark (leverage effect).

## 9. Risks associated with Securities with interest rate(s) or reference rate(s) as Underlying

### (a) Risk in connection with factors that may adversely affect the performance of the interest rate(s) or reference rate(s)

Interest rates and reference rates are mainly dependent upon the factors of the supply and demand for credit in the money market, i.e., the rates of interest paid on investments, determined by the interaction of supply of and demand for funds in the money market.

The supply and demand in the money market on the other hand is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors, or upon other factors, depending on the specific type of interest rate or reference rate. Factors that are affecting the performance of the interest rate(s) or reference rate(s) may adversely affect the market value of, and return (if any) on, Securities linked thereto.

#### **(b) Risk of a methodological change or discontinuance of the determination of the interest rate(s) or reference rate(s)**

The level of interest rates or reference interest rates are generally calculated by an independent organization or government agency, often based on information provided by market participants, which may include the relevant Issuer. The entity that publishes the level of a interest rate or reference rate may change the method of calculation used to determine that level or make other methodological changes that could affect the determination or cash flow of the Securities. Such entity may also change, discontinue, or suspend the calculation or dissemination of interest rate or reference rate. It is not involved in the offer and sale of the Securities and has no obligation to invest therein. Finally, any such entity that publishes the level of an interest rate or reference rate may take any action with respect to the interest rate or reference rate without regard to the interests of the Security holders, and any such action could adversely affect the market value of the Securities.

Any contribution of information by the relevant Issuer or any of its affiliates to the organization(s) determining the setting of a interest rate or reference rate will be based on the discretion of the Issuer or its affiliates and on the view and information available to the Issuer or its affiliates at that time. Neither the Issuer nor any of its affiliates is responsible for considering the interests of the Security holders.

### **10. Risks associated with Securities with exchange rates as Underlyings**

Exchange rates between currencies are determined by supply and demand in the international currency markets, which are influenced by various factors, such as speculation, economic factors, intervention by central banks and government agencies or other political factors (including exchange controls and restrictions). Fluctuations in exchange rates may affect the value of Securities and the amounts payable. These risks may increase if the currency in question is the currency of an emerging market.

In the case of exchange rates as the Underlying, it should be noted that the currency of a country may appreciate, for example through an increase in the country's key interest rate, as in this case the demand for the country's government bonds usually increases. Conversely, the currency of a country may depreciate if the key interest rate falls.

In cases of exchange rates as the Underlying, it should be noted that the values are traded 24 hours a day through the time zones of Australia, Asia, Europe and America. Potential investors of the Securities should, therefore, be aware that a relevant limit or, as the case may be, threshold, if applicable, described in the Final Terms of the Securities, may be reached, exceeded or fallen short at any time and even outside of local or the business hours of the Issuer or the Calculation Agent.

### **11. Risks associated with Securities with futures contracts as Underlyings**

Futures and standardized forward transactions based on financial instruments (e.g. shares, indices, interest rates, foreign exchange, bonds), so-called financial futures, or metals and Commodities (e.g. precious metals, wheat, sugar),

so-called commodity futures. The price of a futures therefore depends primarily on the performance of the relevant reference object.

A futures contract represents the contractual obligation to buy or sell a certain quantity of the respective object of the contract (the so-called reference object) at an agreed price at a pre-determined date. Futures contracts are traded on derivative exchanges and are standardized for this purpose with regard to contract size, nature and quality of the object of the contract and, if applicable, places of delivery and delivery dates.

Generally, there is a high positive correlation between the price performance of an Underlying on a spot market and the corresponding futures market. However, future contracts are generally traded at a premium to, or discount from, the spot price of the Underlying. This difference between spot and futures prices, referred to as the "basis" in terminology used on futures exchanges, is the result of the inclusion of costs usually incurred in connection with spot transactions (storage, delivery, insurance, etc.) and/or income usually generated through spot transactions (interest, dividends, etc.) on the one hand, and differences in the evaluation of general market factors prevailing on the spot and futures markets on the other hand. Furthermore, the liquidity on the spot market may differ considerably from that on the corresponding futures market, depending on the reference object.

As the Securities are linked to the market price of the underlying future contracts specified in the Final Terms, in addition to knowledge of the market for the underlying reference object of the respective forward contract, knowledge of the functioning and valuation factors of future transactions is necessary for a proper valuation of the risks associated with the purchase of these Securities.

#### (a) Futures contract with the next expiry date and Rollover

Since futures have a specific expiry date, the Issuer may, in the case of Securities with a longer term, replace the Underlying by a future at a time specified in the Final Terms which, except for a later expiry date, has the same contract specifications as the initially underlying future (so-called "Rollover"). If at that time no future exists whose underlying conditions or relevant contract characteristics coincide with those of the Underlying to be replaced, the Issuer has the right to replace the future or to terminate the Securities in accordance with the Final Terms.

The rollover will be carried out on one trading day (the "Rollover Day") within a time frame specified in the Final Terms shortly before the expiry date of the current forward contract. The reference values against which the Rollover from the Underlying to the new Underlying will be carried out may be determined by the Issuer at its reasonable discretion within the limits specified in the Final Terms. In the case of Securities with a barrier, this futures contract, which is determined at equitable discretion, is also decisive for the assessment of whether the price of the underlying has touched, exceeded or fallen below the barrier in question until the next Rollover.

With regard to the Rollover, it plays a decisive role whether the price of the futures next due for Rollover is above or below the price of the maturing futures. In a so-called "**Contango Market**", the price of the futures contract next due for Rollover is higher than the price of the expiring futures contract. The opposite is true for a so-called "**Backwardation Market**". In this case, the price of the next futures contract to be rolled into is lower than the price of the expiring futures contract. Depending on the price deviation and the structure of the Security, the execution of the Rollover can influence the price of the Securities to the disadvantage of the Security holder. In the event of a significant fall or negative price of futures or interest rate futures as underlying, it may also be rolled over into a future futures contract that does not correspond to the next futures contract. Since the prices of the previous and the new futures contracts generally differ, there is also a risk for the investor that a barrier or other relevant threshold for the redemption of the Securities will be reached in connection with the execution of the Rollover. In this case, the investor may suffer a loss up to and including the total loss of the invested capital. Investors should also note that during the execution of a Rollover in the secondary market, no continuous bid and ask prices can be set for the Securities, i.e. the Securities cannot be purchased or sold during the execution of a Rollover, or only with difficulty.

## (b) Special risks with regard to dividend futures contracts as Underlying

Dividend futures contracts represent the sum of the distributed dividends of all companies included in the index underlying the dividend futures contract, taking into account the index divisor in index points. The dividend flow of a calendar year is shown, i.e. the contract only shows the dividends expected for the calendar year in question. The performance of the index underlying the dividend futures contract depends on the determination and payment of such dividends, if any, by the Issuers of the relevant shares. Such determination and payment of dividends, if any, may be subject to unforeseeable fluctuations over time. In calculating the dividend futures contract, all ordinary gross dividends of the companies included in the underlying index are included. However, special dividends, capital repayments or similar distributions shall not be taken into account to the extent that the respective Index Sponsor makes an adjustment to the underlying index. Securities holders cannot rely on the fact that the companies currently included in the index underlying the dividend futures contract will continue to be included in the index in the future. The composition of the companies included in the index may change during the life of the Securities, which may have a negative impact on the Underlying and the value of the Securities.

### III. Further risk factors relating to the Securities

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

#### D. Possible conflicts of interest

##### I. Engagement of the Issuers in business and trading activities with respect to the asset(s) serving as underlying of the Securities or the constituents or components of such asset(s) and/or the issuer of such asset(s) or constituents/components

Each of the Issuers (either by itself and/or through any of its Affiliates or unaffiliated third parties) may have a lending or other business relationship with the issuer of an asset which serves as Underlying or the constituents or components of such assets. Furthermore, the relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) may for its proprietary accounts or for other accounts under its management, engage in issuance, trading and market-making activities with regard to underlying asset(s) or the constituents or components of such assets and/or hold long or short positions in such assets, constituents or components. The relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) may further, for its own account or the account of a customer, participate in transactions, or engage in other activities or functions, which are related to the Securities or the Underlyings or reference debtors. The relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) may also have business relations with issuers of the Underlyings or the reference debtor.

To the extent that the relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) maintains such a business relationship with the issuer of an asset serving as Underlying of the Securities or the constituents or components of such assets and/or is engaged as issuer, agent, sponsor or underwriter of such instruments or acts in another capacity with regard to the transactions referred to above, its interests may be adverse to those of the Holders. These transactions and activities are possibly not beneficial for Holders and may have adverse effects on the value of an Underlying or, respectively, the creditworthiness of the reference debtor and therefore on the value of the Security. As a result, conflicts of interest can arise between the Issuer and the Holders in relation to obligations in connection with the Securities. Furthermore, the transactions referred to above could potentially increase and/or decrease the value of the asset(s) serving as Underlying or the constituents or components of such assets, which could have a material adverse impact on the return of the Securities.

##### II. The relevant Issuer or any of its Affiliates acting as Calculation Agent

As the Calculation Agent may be either the relevant Issuer or any Affiliate, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. The Calculation Agent has the authority to determine (a) whether certain specified events relating to the Securities have occurred, and (b) any resulting adjustments

and calculations to be made to the Securities as a result of the occurrence of such events. Any determination by the Calculation Agent may affect the Holders' return on the Securities (in particular, without limitation, where the Calculation Agent is entitled to exercise discretion).

### **III. Engaging in other functions**

Each of the Issuers (either by itself and/or through any of its Affiliates or unaffiliated third parties) may, in respect of the Securities, engage in other functions, e.g. as Paying Agent and administrative agent or index sponsor. Such a function may entitle the relevant company to determine the composition of the Underlying or to calculate its value, which may lead to conflicts of interest.

### **IV. The Issuers or any of their Affiliates may be the sponsor of an Index or strategy which is the Underlying of the Securities**

A proprietary Index or strategy of the relevant Issuer will generally be developed, owned, calculated and maintained by the relevant Issuer or any Affiliate. In such circumstances, the Index or strategy sponsor would be under no obligation to take into account the interests of the Holders or the holders of any asset(s) referenced by such Index or strategy. In its capacity as index sponsor, the relevant Issuer or its respective Affiliate will have the authority to make determinations that could materially and adversely affect the value of the Securities.

### **V. Distributors or other persons involved in the offering or listing of the Securities**

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

### **VI. Issue of other Securities in respect of an Underlying**

Each of the Issuers may issue various Securities in respect of the same Underlying or the same Underlyings. Such Securities may compete with already issued Securities which may adversely affect the value of the already issued Securities.

### **VII. Engagement of the Issuers in hedging transactions with respect to its obligations under the Securities**

In anticipation of the issuance of the Securities, the relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) expects to hedge its obligations under the Securities. Such hedging may negatively affect the market price, liquidity or value of the Securities and could be adverse to the interests of the Holders. The relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) may pursue such hedging or related derivatives activities and take such steps as it deems necessary or appropriate to protect its interests without taking into account the interests of the Holders.

### **VIII. Crediting of hedging transactions**

The price of the Underlying of a Security can be fixed at the time of issue (Initial Fixing Date), during the term of new weightings (rebalancing) and at maturity (Final Fixing Date) on the basis of the prices achieved for the corresponding hedging transactions. Such hedging transactions determine the value of the Security accordingly, exposing Investors to the risk that they will not be executed in the interest of the Investors. In order to minimize this risk, the product conditions generally stipulate that the hedging transactions must be carried out in a manner that "protecting interests", i.e. in several steps in order to avoid the risk of influencing the price.

If an execution in the interest of the investor is not possible due to the fact that the order size is too small or such execution would lead to unreasonably high costs, the Issuer will use a reference which is comparable (e.g. the Issuer will use the closing price, an "at-market" price or comparable market data).

The relevant Issuer has taken measures to ensure that its activities are carried out in a manner that protecting interests of the Issuer, although any disadvantage to Investors cannot be completely ruled out.

## **IX. Acting as market-maker for the Securities**

Each of the Issuers (either by itself and/or through any of its Affiliates or unaffiliated third parties) may act as market-maker for the Securities in order to improve the market liquidity of the Securities and to equalize imbalances between supply and demand. The relevant Issuer (either by itself and/or through its Affiliates or unaffiliated third parties) will, itself, through such "market-making", materially determine the price of the Securities. As a result, the market prices determined by the market-maker normally are not the same as those that would have resulted in a liquid market without market-making.

The market-maker determines the bid and asked prices in the secondary market, in particular by taking into account the value of the Securities determined by the market-maker, which, among other things, is dependent on the value of the Underlying, as well as the difference between bid and asked prices targeted by the market-maker. In addition, a charge imposed upon issue and any compensation or costs to be deducted upon the maturity of the Security from its redemption price (i.e., administrative, transaction or other charges in accordance with the respective Final Terms) will routinely be taken into account. Further, a margin included in the issue price of a Security and dividends or similar income paid or to be paid on the Underlying or its components have an influence on the determination of the price in the secondary market if, based on the terms of the Security, the relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) is economically entitled to them. The spread between bid and asked prices is determined by the market-maker on the basis of supply and demand for the Securities and certain income considerations.

In determining the price, certain costs, such as, for example, administration fees, will in many cases not be deducted in equal amounts distributed over the term of the Securities and therefore in reduction of the price, but rather deducted from the calculated value of the Securities already at an earlier point in time determined in the discretion of the market-maker. The same applies for a margin included in the issue price of the Securities, as well as for dividends and other distributions in respect of the Underlying, to the extent that the relevant Issuer is economically entitled to receive them pursuant to the terms of the Security. These are often not deducted in reduction of the price when the Underlying is traded "ex-dividend", rather already at an earlier point in time during the term and on the basis of the dividends expected for the entire term or a certain part of the term. The timing of this deduction is dependent on, among other things, the amount of any income received by the market-maker from the securities.

The prices provided by the market-maker may therefore deviate significantly from the calculated or economically expected value of the Securities at the relevant time based on the factors mentioned above. In addition, the market-maker may change the method for the determination of the prices provided at any time, such as the increase or decrease of the spread between bid and asked prices. In addition, the market-maker has the option of providing asked prices only for specific Securities.

## **X. Acting as market-maker for the Underlying**

Each of the Issuers (either by itself and/or through any of its Affiliates or unaffiliated third parties) may in certain cases act as market-maker for the Underlying, especially when the relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) also issued the Underlying. The price of the Underlying will be determined to a significant degree by the relevant Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) and therefore influences the value of the Securities. The prices provided by the market-maker will not always correspond to the prices that would have developed in a liquid market with such market-making.

## **XI. Acting as a member of an underwriting syndicate or a similar function in respect of the issue of an Underlying**

Each of the Investors (either by itself and/or through unaffiliated third parties) may, in connection with future offers of an Underlying, act as underwriter or financial adviser to the Issuer. Activities of this type may entail certain conflicts of interest and affect the value of the Securities.

## **XII. Possession and publication of information related to Underlyings or constituents or components of such Underlyings and/or the issuer of such Underlyings**

Each of the Issuers (either by itself and/or through any of its Affiliates or unaffiliated third parties) may from time to time, by virtue of their status as counterparty, underwriter, adviser or any other type of relationship

described herein or otherwise, possess, acquire or have access to information relating to the Underlying or constituents or components of such Underlying and/or the issuer of such Underlying. Such information may be material in the context of the issuance of the Securities and may or may not be publicly available or known to the Holders. The Securities do not create any obligation on the part of the relevant Issuer or its Affiliates to disclose to any Holder any such information (whether or not confidential). Furthermore, the relevant Issuer and its Affiliates may (a) publish research reports on the issuer of Underlyings or constituents or components of such Underlyings; (b) when holding any Underlying or constituents or components of such Underlyings, exercise the voting rights with respect to such assets or constituents/components; and/or (c) engage in any kind of commercial or investment banking or other business with the issuer of Underlyings or constituents or components of such Underlyings. With regard to any of these activities, the Issuer, or any other Affiliate of the Issuer, interests may be adverse to those of the Holder and its or their actions might have an adverse effect on the position of any Holder. In no event shall the relevant Issuer or any of its Affiliates be held liable for any losses incurred by Holders.

### **XIII. The Issuers may publish research reports, express opinions or provide recommendations that are inconsistent with investing in or holding the Securities**

Each of the relevant Issuer and any of its Affiliates from time to time publishes research reports on asset(s) which serve as Underlyings or the constituents or components of such Underlyings, financial markets and other matters that may influence the value of the Securities, or express opinions or provide recommendations that are inconsistent with purchasing or holding the Securities. Any research reports, opinions or recommendations published or expressed by the Issuer or of any its Affiliates may not be consistent with each other and may be modified from time to time without notice. Investors should make their own independent investigation of the merits of investing in the Securities and the Underlyings.

## INFORMATION ON ISSUERS

A description of Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited is set out in the Registration Document dated 25 June 2022 for Debt Instruments (excluding Derivatives) and for Derivatives of Zürcher Kantonalbank and Zürcher Kantonalbank (Guernsey) Limited, as amended from time to time (the "**Registration Document**").

The Registration Document has been filed with the Review Body in accordance with article 61 para. 2 of the Swiss Financial Services Ordinance of 6 November 2019, as the same may be amended from time to time ("FinSO"; Finanzdienstleistungsverordnung) and forms an integral part of this Base Prospectus. The Issuers may supplement, update and/or replace the Registration Document from time to time and references to the "Registration Document" should be construed accordingly.

## INFORMATION ON THE SECURITIES AND THE OFFERING

The following description is a description of (a) the types of Securities issued under the Base Prospectus and possible features of such Securities, (b) the general terms and conditions of the Securities (the "**General Terms of the Securities**"), (c) the additional terms with respect to specific categories of Securities (the "**Additional Terms**") and (d) the underlyings used in connection with the Securities (the "**Information on the Underlyings**"). Together, the General Terms of the Securities, the Additional Terms and the Information on the Underlyings form the "**Terms and Conditions of the Securities**".

Potential investors should note that information relating to a specific issue of Securities is not contained in this section of the Base Prospectus but in the relevant Final Terms. **Consequently, the following description does not contain all information relating to the Securities. Any investment decision by an investor should therefore be made only on the basis of full information on the relevant issuer and on the Securities to be offered which is set out in the Base Prospectus, any supplement thereto and the relevant Final Terms, which have to be read together with the Base Prospectus.**

### A. TYPES OF SECURITIES

#### I. General information about the Securities

The below listed product categories and products features are based on the categories and additional product features used in the "SSPA Swiss Derivative Map 2021" issued by the Swiss Structured Products Association SSPA ("SSPA") (see "[SSPA | Swiss Structured Products Association](#)"). The product categories and products features are not universal and, in different markets, different products categories and product features may be used for the same product.

Securities issued under the Base Prospectus may have characteristics which partially or significantly deviate from those of the main product categories described in the following. First, the respective basic structure of a product category is explained. This is followed by a description of the main additional features, which can be combined individually or together with the basic structure. Frequently occurring combinations of additional features are also shown. Additional features which are shown below only in connection with a basic structure, e.g. Lock-in in the case of Reverse Convertibles, may also be combined with another basic structure in the Final Terms, e.g. Bonus Certificate with Lock-in). The payoff profiles shown are of an exemplary nature. The payoff profiles as described in the Final Terms are authoritative.

#### II. Product categories

The main categories of Securities that may be issued under the Base Prospectus include, in a non-exhaustive manner, the product categories designated by the SSPA and are described in the following. The SSPA regularly reviews the categorization model and adjusts it to reflect new developments in the market.

The criterion for classifying a product into a category is its payoff profile. This can be defined more precisely by the additional features. The categorization may change at any time; for example, new categories may be created or types of derivatives with a completely new type of product structure may be produced, in which case it may generally be assumed that this Base Prospectus, in particular the General and Additional Terms and Conditions for Derivatives set out in this Base Prospectus, also claim validity with respect to such newly created types of Securities and, together with the Final Terms, form the legally binding prospectus.

The Securities issued under this Base Prospectus may be linked to one or more underlying assets. The relevant Issuer may issue Securities with product features that differ from the product features described in the following paragraphs, and the Securities that may be issued pursuant to this Base Prospectus may have different or additional product features and may be modified as set out in the relevant Final Terms.

Additional Information on the Securities, including a description of the particular Securities will be included in the relevant Final Terms.

For a more detailed explanation of the products, including calculation examples, investors should contact their client advisor and/or other professional advisors.

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

Capital Protection Note with Participation (1100)

Capital Protection Note with Barrier (1130)

Capital Protection Note with Twin-Win (1135)

Capital Protection Note with Coupon (1140)

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

Discount Certificate (1200)

Barrier Discount Certificate (1210)

Reverse Convertible (1220)

Barrier Reverse Convertible (1230)

Conditional Coupon Reverse Convertible (1255)

Conditional Coupon Barrier Reverse Convertible (1260)

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

Tracker Certificate (1300)

Outperformance Certificate (1310)

Bonus Certificate (1320)

Airbag Certificate

Bonus Outperformance Certificate (1330)

Twin-Win Certificate (1340)

### **Investment Products with additional credit risk (SSPA 14)**

Credit Linked Note (1400)

Conditional Capital Protection Note with additional credit risk (1410)

Yield Enhancement Certificate with additional credit risk (1420)

Participation Certificate with additional credit risk (1430)

### **Leverage Products**

Warrant (2100)

Spread Warrant (2110)

Warrant with Knock-Out (2200)

Mini-Future (2210)

Constant Leverage Certificate (2300)

## **III. Description of certain product features ("additional features")**

The derivatives issued under this Base Prospectus may have one or more of the following additional features.

AMC	AMC stands for Actively Managed Certificates. They are based on a dynamic strategy. The composition of the underlying basket may be altered during the lifetime of the product depending on the predefined investment guidelines (discretionary or rule based).
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American Barrier	In contrast to the European Barrier, any day during the term of the Security is relevant for monitoring the barrier.
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Asian Option	Uses the average underlying price over a number of predefined periods (monthly, quarterly, annually) rather than the price at a specific time.
Autocallable	If, on an observation day, the price of the Underlying is either on or above (bull) or on or below (bear) a previously defined barrier ("autocall trigger" resp. "Call Level"), the Security is redeemed prior to maturity. A product can have different Call Levels per observation day.
Bearish	The product benefits from rising prices of the Underlying.
Bullish	The product benefits from rising prices of the Underlying.
Callable	The Issuer has the right to cancel early, however, there is no obligation to do so.
Capped Participation	The product has a maximum yield and a minimum redemption price.
Conditional Coupon	A scenario exists where the coupon is not repaid (coupon at risk) or an unpaid coupon can be recouped at a later date (memory coupon).
European Barrier	Only the last-day closing price is relevant for monitoring the barrier
Invers	The product performs in inverse proportion to the Underlying.
Lock-in	If the lock-in level is reached, the minimum repayment is a preassigned amount regardless of future development of the Underlying.
Look-back	Barrier and/or strike are set with a time delay (look-back phase).
Outperformance	Outperformance Certificates allow client to participate disproportionately in the positive performance of the underlying upon maturity.
Partial Capital Protection	Capital protection is between 90% and 100% of the nominal value.
Participation	This indicates to what proportion the investor profits from the price performance of the Underlying. This can be 1:1, over- or underproportional.
Physical delivery	At maturity, depending on the structure of the product, there may be a physical delivery, i.e. a transfer of the Underlying to the investor's securities account.
Puttable	The investor has the right to return the product to the Issuer on certain days during the term.
Variable Coupon	The coupon amount can vary depending on a predefined scenario.

The above list of product features is not exhaustive and a particular product may have other product features.

#### IV. Characteristics of the different product categories

##### 1. Capital Protected Products (SSPA Category 11)

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

exclude a sharp decrease (or, in the case of "Capital Protection Products" with a bear feature, a sharp increase) of the value of the Underlying throughout the term of such "Capital Protection Products".

"Capital Protection Products" provide for a specific minimum redemption amount. The level of the minimum redemption amount representing the level of capital protection indicates the percentage of the nominal or par value of the "Capital Protection Product" that the investor will be entitled to at the settlement date. The Issuer sets it at the time of the issuance and it applies only at the end of the term or at maturity. The Issuer may set the level of the minimum redemption amount representing the level of capital protection below 100% of the nominal or par value of the "Capital Protection Products" (partial capital protection). Capital protection therefore does not mean that the investor is entitled to a redemption amount equal to the full nominal or par value of the "Capital Protection Products". The potential loss is limited by the minimum redemption amount, subject to the credit risk of the Issuer.

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

#### 1.1 Capital Protection Note with Participation (SSPA Category 1100)

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

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

#### 1.2 Barrier Capital Protection Certificate (SSPA Category 1130)

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

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

#### 1.3 Capital Protection Note with Twin-Win (SSPA Category 1135)

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

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

#### 1.4 Capital Protection Notes with Coupon (SSPA Category 1140)

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

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

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

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

"Yield Enhancement Products" provide for a redemption amount that is limited to a maximum amount (cap) and may provide for (fixed or variable) periodic coupon payments during the term.

"Yield Enhancement Products" may be linked to several Underlyings and may therefore offer a larger discount or coupon than "Yield Enhancement Products" linked to just one Underlying.

The product category "Yield Enhancement Products" includes the following product types.

### 2.1 Discount Certificates (SSPA Category 1200)

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

"Discount Certificates" are issued at a discount, i.e. a discount compared to a direct investment in the Underlying. The redemption amount depends on the value of the Underlying at redemption. If the value of the Underlying has developed favorably (i.e., if the value of the Underlying at redemption is above or, in case of "Discount Certificates" with a bear feature, below) the specified strike price (typically the initial value of the Underlying), the redemption amount will be equal to such strike price.

If the Underlying has risen to or above the cap on Final Fixing Date, the investor cannot benefit from this. The achievable performance of the investment is therefore limited to the percentage spread between the purchase price (price of the Security when the investor enters the market) and the maximum amount (i.e., the cap taking into account the subscription ratio). However, the reduced purchase price compared to the listing of the Underlying offers two advantages: On the one hand, there is a risk buffer, because at maturity the investor only suffers losses when the Underlying has fallen below the purchase level of the Discount Certificate. On the other hand, there are yield opportunities in the sideways market or with slightly falling or slightly rising prices of the Underlying.

The Issuer will redeem the Securities on maturity by paying the maximum amount if the reference price of the Underlying on Final Fixing Date is at or above the cap. In this case, the investor achieves the maximum possible return with his discount investment.

If the reference price of the Underlying is determined below the cap on the Final Fixing Date, the Issuer pays a cash compensation for Securities with the settlement type Payment (Cash Settlement). The investor continues to achieve a positive return if the Underlying (taking into account the subscription ratio) is quoted on Final Fixing Date between the maximum amount and the purchase price of the Security. If the Underlying (taking into account the subscription ratio) is quoted below the purchase price of the Security on Final Fixing Date, the investor suffers a loss, which, however, is lower than with a direct investment due to the discounted entry.

In the case of Securities with settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation.

## 2.2 Barrier Discount Certificates (SSPA Category 1210)

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

"Barrier Discount Certificates" are issued at a discount, i.e. a discount compared to a direct investment in the Underlying and provide for a conditional minimum redemption amount (i.e., the redemption amount is at least equal to 100% of the nominal or par value of the "Barrier Discount Certificates" if the specified barrier is not breached during the term of the "Barrier Discount Certificates"). The special feature of this further development of the Discount Certificate is therefore an additional barrier, which is below the price of the Underlying at the time of issue.

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

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

The Issuer will redeem the "Barrier Discount Certificates" at maturity by paying the maximum amount, provided that the price of the Underlying has not fallen below the Barrier during the observation period or - if provided for in the Final Terms - has reached it, irrespective of the price of the Underlying on the Final

Fixing Date. If the Barrier is breached or reached during the observation period, the "Barrier Discount Certificate" is converted into a conventional "Discount Certificate" with the corresponding payment and delivery modalities at maturity of the Securities (taking into account the respective settlement type).

In the event that the barrier is considered exclusively on the Final Fixing Date at the time the reference price is determined (closing price observation), the Issuer will redeem the Securities on maturity by paying the maximum amount, provided that the reference price of the Underlying is above or, if applicable, on the barrier on the Final Fixing Date.

If the reference price of the Underlying is below or, if applicable, on the barrier on the Final Fixing Date, the Issuer will pay a cash compensation for Securities with the settlement type Cash Settlement, which is determined on the basis of the reference price of the Underlying. In the case of Securities with the settlement type (physical) Delivery, the Issuer will in this case deliver an asset (cf. the description of Discount Certificates above).

#### (a) Specific Product Features - Autocall Discount Certificates

The Autocall version of Discount Certificates are additionally equipped with an autocall level for the Underlying and thus offer one or more early redemption options, which can lead to rapid achievement of the return targets.

A Call level is a certain price threshold of the respective Underlying, which is determined when the Security is issued.

The Autocall version results in premature automatic redemption by payment of the maximum amount if the price of the Underlying is quoted during a period specified in the Final Terms or at a time specified in the Final Terms above or - if provided for in the Final Terms - at the (respective) autocall level.

#### (b) Specific Product Features - Multi Discount Certificates

With Multi Discount Certificates, the investor invests indirectly in several Underlyings at a discount to the current prices of the respective Underlyings. In return, however, they do not participate indefinitely in rising prices, but only up to the maximum amount (taking into account the subscription ratio). The maximum profit to be achieved is therefore also fixed at the time of issue.

The Issuer will redeem the Securities on maturity by paying the maximum amount, provided that the reference prices of all Underlyings on the Final Fixing Date are equal to or higher than the strike (or in the case of a "Multi Discount Certificate" with bear feature, falls below).

If the reference price of at least one Underlying on the Final Fixing Date is lower than or - if provided for in the Final Terms - equal to the respective exercise price, the Issuer shall - in the case of Securities with the settlement type Payment (Cash Settlement) - pay a cash settlement calculated on the basis of the reference price or the performance of the Underlying with the lowest (**worst of**) or highest (**best of**) performance or another performance specified in the Final Terms. In the case of Securities with the settlement type (physical) Delivery, the Issuer shall, instead of a cash settlement, deliver the relevant Underlying or an asset related to this Underlying in accordance with the number specified in the Final Terms.

#### (c) Specific Product Features - Barrier Multi Discount Certificates

Barrier Multi Discount Certificates combine the additional features Barrier and Multi. For each Underlying, they are equipped with an individual barrier that is below the price of the respective Underlying at the time of issue.

The Issuer will redeem the Securities on maturity by paying the maximum amount if none of the prices of the Underlyings has fallen below the relevant barrier during the observation period (or in the case of a "Multi

Discount Certificate" with bear feature, exceeded) or - if provided for in the Final Terms - has reached it, irrespective of the prices of the Underlyings on the Final Fixing Date.

If the reference price of at least one Underlying on the Final Fixing Date is lower than or - if provided for in the Final Terms - equal to the respective exercise price, the Issuer shall - in the case of Securities with settlement type payment (Cash Settlement) - pay a cash settlement calculated on the basis of the reference price or the performance of the Underlying with the lowest (**worst of**) or highest (**best of**) performance or another performance specified in the Final Terms. In the case of Securities with settlement type (physical) Delivery, the Issuer shall, instead of a cash settlement, deliver the relevant Underlying or an asset related to this Underlying in accordance with the number specified in the Final Terms.

In the event that the relevant barrier is considered exclusively on the Final Fixing Date at the time the relevant reference price is determined (closing price observation), the Issuer will redeem the Securities on maturity by paying the maximum amount, provided that all reference prices of the Underlyings are above or - if provided for in the Final Terms - on the relevant barrier on the Final Fixing Date.

If at least one reference price of an Underlying is quoted below or, if applicable, on the relevant barrier on the Final Fixing Date, the Issuer will pay a cash compensation for Securities with the settlement type Payment (Cash Settlement). In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver the Underlying with the worst performance or assets related to the Underlying with the worst performance instead of a cash compensation (see the description of Multi Discount Certificates above).

### 2.3 Reverse Convertibles (SSPA Category 1220)

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

"Reverse Convertibles" allow investors to benefit from an enhanced return by receiving a periodic coupon payment. The redemption amount depends on the value of the Underlying at the end of the term of the "Reverse Convertibles". If the value of the Underlying has developed favorably (i.e., if the value of the Underlying at redemption is above (or, in case of "Reverse Convertibles" with a bear feature, below) the specified strike price (typically the initial value of the Underlying)), the redemption amount will be equal to such strike price. The investor thus receives the nominal amount on maturity of the Securities, provided that the reference price of the Underlying is above or - if provided for in the Final Terms - at the strike at the time of the Final Fixing on the Final Fixing Date.

If, on the other hand, the reference price of the Underlying on the Final Fixing Date is lower than or - if provided for in the Final Terms - at the strike, the Investor will receive - in the case of Securities with the settlement type Payment (Cash Settlement) - a cash compensation calculated on the basis of the reference price of the Underlying on the Final Fixing DateFinal Fixing Date, taking into account the subscription ratio or by multiplying the nominal amount by the performance of the Underlying. In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation.

In addition, the Investor will receive a coupon (interest amount) on one or more coupon payment days specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

### 2.4 Barrier Reverse Convertibles (SSPA Category 1230)

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

In contrast to Reverse Convertibles, Barrier Reverse Convertibles thus also have a barrier determined at the time of issue.

"Barrier Reverse Convertibles" allow investors to benefit from an enhanced return by receiving a periodic coupon payment and provide for a conditional minimum redemption amount at the end of the term of the "Barrier Reverse Convertibles" (i.e., the redemption amount is generally at least equal to 100% of the nominal or par value of the "Barrier Reverse Convertibles" if the specified barrier is not breached during the term of the "Barrier Reverse Convertibles").

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

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

The Investor will receive the nominal amount at maturity if (i) no Barrier Event has occurred or (ii) if a Barrier Event has occurred but the reference price of the Underlying on the Final Fixing Date is above or - if provided for in the Final Terms - at the strike. On the other hand, the Issuer will pay a cash compensation - in the case of Securities with the settlement type Payment (Cash Settlement) - if a Barrier Event has occurred and the Reference Price is quoted below or - if provided for in the Final Terms - on the Strike on the Final Fixing Date. The cash settlement is calculated from the Reference Price of the Underlying on the Final Fixing Date, taking into account the Subscription Ratio, or by multiplying the nominal amount by the performance of the Underlying. In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation.

A Barrier Event occurs if either (i) the price of the Underlying during the observation period is at least once below (or, in the case of a "Barrier Reverse Convertible" with bear feature, above) or - if provided for in the Final Terms - on the barrier, or (ii) - if the barrier is viewed exclusively at the closing price - the reference price of the Underlying on the Final Fixing Date is below or - if provided for in the Final Terms - on the barrier.

In addition, the investor will receive a coupon (interest amount) on one or more coupon payment days specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

#### (a) Specific Product Features - Multi Reverse Convertibles

In contrast to Reverse Convertibles, Multi Reverse Convertibles do not refer to only one Underlying, but to several. The investor receives the nominal amount when the Securities mature, provided that the reference prices of all Underlyings on the Final Fixing Date are above or - if provided for in the Final Terms - on the respective strikes.

If the reference price of at least one Underlying on the Final Fixing Date is below or - if provided for in the Final Terms - on the relevant strike, the Issuer will pay a cash compensation - in the case of Securities with the settlement type Payment (Cash Settlement) - which is calculated on the basis of the reference price or the performance of the Underlying with the lowest (**Worst of**) or highest (**Best of**) performance or any other performance specified in the Final Terms. In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver the relevant Underlying or an asset related to this Underlying (Delivery Item) in accordance with the number of Delivery Items instead of a cash compensation.

In addition, the investor will receive a coupon (interest amount) on one or more coupon payment days specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

## (b) Specific Product Features – Barrier Multi Reverse Convertibles

Barrier Multi Reverse Convertibles combine the functions of Multi Reverse Convertibles and Barrier Reverse Convertibles.

Upon maturity of the Securities, the investor receives the nominal amount if (i) no Barrier Event has occurred or (ii) if a Barrier Event has occurred but the reference price of all Underlyings on the Final Fixing Date is above or - if provided for in the Final Terms - on the respective strike. If a Barrier Event has occurred and the reference price of at least one Underlying on the Final Fixing Date is below or - if provided for in the Final Terms - on the relevant strike, the Issuer will pay a cash compensation in the case of settlement type Payment (Cash Settlement), which is calculated on the basis of the reference price or the performance of the Underlying with the lowest (**Worst of**) or highest (**Best of**) performance, or any other performance specified in the Final Terms. In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver the relevant Underlying or an asset related to this Underlying (Delivery Item) in accordance with the number of Delivery Items instead of a cash compensation.

A Barrier Event (or Knock-in event) occurs if either (i) the price of at least one Underlying during the observation period is at least once below or - if provided for in the Final Terms - on the relevant barrier for the relevant Underlying or (ii) - in the case of an exclusive closing price observation - the reference price of at least one Underlying on the Final Fixing Date is below or - if provided for in the Final Terms - on the relevant barrier for the relevant Underlying.

In addition, the investor will receive a coupon (interest amount) on one or more coupon payment days specified in the Final Terms. The coupon payment is independent of the performance of the Underlying.

## (c) Specific Product Features – Reverse Convertible Structures with Participation

In contrast to Reverse Convertibles (without participation), Reverse Convertibles with Participation also offer the investor the possibility of participating in increases in the value of the Underlying(s) above the (respective) strike or Initial Fixing Level as determined in the Final Terms at the end of the term (so-called upside participation). The Final Terms may provide that the possible upside participation is limited by a certain maximum amount or cap.

However, the prerequisite for the possibility of upside participation is that at maturity the reference price of the Underlying is above or - if provided for in the Final Terms - on the (respective) strike or - in the case of structures with barriers - a Barrier Event has not occurred. In such a case, at the maturity of the Securities, the investor will receive either (i) the nominal amount or (ii) the nominal amount plus the product of the nominal amount and the upside performance of the Underlying or, in the case of multi-structures, the arithmetic average of the upside performance of all Underlyings, depending on which amount is higher. If provided for in the Final Terms, however, the investor will receive no more than the maximum amount. The upside performance of an Underlying is the performance of the (relevant) Underlying exceeding the (relevant) strike or Initial Fixing Level. If the Final Terms so provide, this can be calculated taking a participation factor (also referred to as **participation rate**) into account, i.e., in this case the investor participates disproportionately but also under proportionately in the upside performance.

If the conditions for a possible upside participation are not met, i.e., the reference price of the Underlying or the reference price of at least one Underlying at maturity is below or - if provided for in the Final Terms - equals the (respective) strike or - in the case of structures with barriers - a Barrier Event has occurred, the investor will receive a cash compensation corresponding to the Reverse Convertibles (without participation) as described above.

## (d) Specific Product Features – Reverse Convertible structures with the designation Floater or Floored Floater

Reverse Convertibles with the designation Floater are not subject to a fixed interest rate but have a variable interest rate. This variable interest rate is dependent on a reference interest rate and is determined during the term of the Securities on the dates specified in the Final Terms for the respective interest/coupon period.

The determination of the interest rate applicable to a coupon period is generally made before the beginning of a coupon period. The coupons are then generally paid retrospectively at the end of the coupon period. The Final Terms may also provide for a combination of fixed and variable interest rates, i.e., a fixed interest rate is paid for certain coupon periods, while a variable coupon payment is determined for other interest periods.

(Barrier) (Multi) Reverse Convertibles with the designation **Floored** Floater also have variable interest rates. However, for the variable interest rate, a minimum interest rate is defined as the floor, which at least is paid to the investor.

#### (e) Specific Product Features – Reverse Convertible structures with the designation Look Back and Best Entry

In the case of Reverse Convertibles with the designation **Look Back**, the Initial Fixing Level is not determined at the time of issue, but at a later point in time. During a period specified in the Final Terms (look back observation period), an observed reference price (or, if applicable, another price specified in the Final Terms) of the Underlying is determined as the Initial Fixing Level at the Initial Fixing Date on the determination date. For Reverse Convertibles with the designation **Best Entry**, the lowest reference price (or, if applicable, another price determined in the Final Terms) of the Underlying observed during a period specified in the Final Terms (best entry observation period) is generally used as the Initial Fixing Level on the determination date for determining the Initial Fixing Level.

#### (f) Specific Product Features – Reverse Convertible with guaranteed Coupon and Additional Coupon

Reverse Convertibles can be designed in such a way that the investor receives an additional cash amount (also referred to as a conditional coupon) on certain observation dates, provided that the reference price of the Underlying or all Underlyings on an observation date is above – or if provided for in the Final Terms - at the (respective) coupon threshold of the Underlying or Underlyings. The coupon amount is either fixed or depends on the Underlying's level (and is calculated according to a specific formula specified in the Final Terms). A different amount may be determined for each observation date.

#### (g) Specific Product Features - Reverse Convertible structures with the designation Lock-In

Reverse Convertibles may also be equipped with a so-called lock-in level, which is usually set above the (respective) strike. On certain observation dates (the so-called lock-in observation dates) it is checked whether the conditions for a so-called lock-in event are met, i.e., whether the reference price of the Underlying or all Underlyings is above or - if provided for in the Final Terms - at the (respective) lock-in level of the Underlying(s). If this is the case on any of the lock-in observation dates, the investor will receive the nominal amount on the maturity date irrespective of the reference price of the Underlying(s) on the Final Fixing Date or, if applicable, the occurrence of a Barrier Event. The lock-in level may be set at different levels for each lock-in observation date.

#### (h) Reverse Convertible structures with Partial Repayment during the term

The Final Terms may stipulate that part of the nominal amount of the Reverse Convertibles will already be repaid during the term. In this case, either the correspondingly reduced nominal amount will be paid out or the cash settlement or the delivery of assets will be determined on the maturity date (if the respective other conditions as described above are met) on the basis of a correspondingly reduced subscription ratio.

In this case, the interest rate is also calculated from the partial repayment on the basis of the reduced nominal amount.

## 2.5 Conditional Coupon Reverse Convertible (SSPA Category 1255)

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

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

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

"Conditional Coupon Reverse Convertibles" are thus based on an Underlying and have a strike and one (or more) Call Level(s). The strike generally corresponds to the price of the Underlying at the Initial Fixing on the Issue Date or determination date but may also be set below or above this price. Reverse Convertibles with Conditional Coupon are additionally equipped with one (or more) coupon level(s). The Call Level and the coupon level are one or more price thresholds that are determined as a percentage of the price of the Underlying on the Issue Date or determination date. A different Call level or coupon level may be set for each valuation day.

## 2.6 Conditional Coupon Barrier Reverse Convertible (SSPA Category 1260)

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

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

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

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

If the value of the Underlying has developed favorably (i.e., if the value of the Underlying did not fall below (or, in case of "Conditional Coupon Barrier Reverse Convertible" with a bear feature, rise above) the specified barrier throughout the term of the "Conditional Coupon Barrier Reverse Convertible" or, if the barrier is breached, the value of the Underlyings at redemption is at or above (or, in case of "Conditional Coupon Barrier Reverse Convertible" with a bear feature, below) the specified strike price (typically the initial value of the Underlying)), the redemption amount will at least be equal to 100% of the nominal or par value of the "Conditional Coupon Barrier Reverse Convertible".

In the case of "Conditional Coupon Barrier Reverse Convertibles" the barrier is usually set below the strike at the time of issue. If the price of the Underlying is at no time during the observation period below or - if provided for in the Final Terms - on the barrier, the investor will receive at least the nominal amount at the end of the term, even if the reference price is below or - if provided for in the Final Terms - on the strike the

Final Fixing. However, if the barrier has been breached or reached, the investor participates in the losses of the Underlying.

In the case of "Conditional Coupon Barrier Reverse Convertibles", it is often specified that the barrier will only be considered at the Final Fixing on the Final Fixing Date (barrier observation at maturity). In this case, the investor will receive at least the nominal amount if the reference price is above or - if provided for in the Final Terms - on the barrier on the Final Fixing Date. Only when the reference price is below or - if provided for in the Final Terms - on the barrier the investor will participate in the losses of the Underlying.

As long as the barrier has not been breached, it will at least ensure repayment of the nominal amount. For the investor, however, the investment may in this case be without any return, provided that no coupons are paid.

#### (a) Specific Product Features – Conditional Coupon Memory (Barrier) Reverse Convertibles

Conditional Coupon Reverse Convertibles with the designation **Memory** also offer the option of making up for lost coupon payments. If the investor does not receive a coupon for an observation date, but the prerequisites for a coupon payment are met on a subsequent observation date, any coupon payment defaulted on the relevant observation date will be paid out additionally.

#### (b) Specific Product Features – Conditional Coupon Best Entry (Barrier) Reverse Convertibles

In the case of Conditional Coupon Reverse Convertibles with the designation Best Entry, the Initial Fixing Level is not determined at the time of issue, but at a later point in time. The lowest reference price (or, if applicable, another price specified in the Final Terms) of the Underlying observed during a period specified in the Final Terms (best entry observation period) is usually set as the Initial Fixing Level on the determination date.

#### (c) Specific Product Features – Conditional Coupon Multi (Barrier) Reverse Convertibles

Conditional Coupon Multi Reverse Convertibles refer not only to one Underlying, but to several.

In the case of these Securities, any Early Redemption, the payment of a coupon and also the payment of the redemption amount on maturity of the Securities are dependent on the respective price of all Underlyings. For example, the Early Redemption of Conditional Coupon Multi Reverse Convertibles Reverse is subject to the condition that the reference prices of all Underlyings on an observation date are above - if provided for in the Final Terms – on their respective Call Level .

Where applicable, coupon payments will only be made if the reference prices of all Underlyings on a relevant observation date are above - if provided for in the Final Terms - on their respective coupon levels. If no Early Redemption has occurred, the type and amount of redemption at maturity is also determined on the basis of the reference price of all Underlyings at the Final Fixing on the Final Fixing Date: If the reference price of at least one Underlying is below or - if provided for in the Final Terms - at its strike or Call Level and - in the case of structures with a barrier - additionally the barrier has been breached, the redemption amount or the counter value of the assets to be delivered is generally determined on the basis the Underlying with the lowest (Worst of) or highest (Best of) performance (as determined in the relevant Final Terms). Otherwise, the investor will receive the nominal amount.

### 3. Participation Products (SSPA Category 13)

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

"Participation Products" generally track the performance of the Underlying and enable investors to participate in the performance of the Underlying. Depending on the structure of the "Participation Product", investor participate proportionate or disproportionate in the performance of the Underlying. The profit an investor

may achieve by investing in a "Participation Product" is theoretically unlimited, (unless there is a cap) but there is the risk of a total loss (unless there is a partial capital protection).

### 3.1 Tracker Certificates (SSPA Category 1300)

"Tracker Certificates" are primarily targeted at investors that expect the value of the Underlying to increase (or, in the case of "Tracker Certificates" with a bear feature, to decrease). "Tracker Certificates" allow an investor to participate in the performance of one or more Underlyings, which can be equally or unequally weighted. The profit and loss potential of the "Tracker Certificates" corresponds largely to that of the Underlyings and is (theoretically) not limited, unless there is a cap or partial capital protection.

"Tracker certificates" also offer the possibility that the Underlying or the composition of the Underlying basket is managed dynamically, i.e. discretionary or rule-based according to predefined investment guidelines.

All types of tracker certificates described below have in common that they are risky investment instruments. All tracker certificates have a derivative component; they are financial instruments whose value is derived from the value of another financial instrument, the Underlying.

#### (a) Specific Product Features - Tracker Certificates with maturity limit

Tracker Certificates with a maturity limit are Securities with which the investor, taking a number of parameters described below into account, can participate almost one to one in an increase but also in a decrease of the Underlying.

Tracker Certificates with a fixed term generally entitle the holder to payment of the redemption amount on the maturity date. The redemption amount of the Tracker Certificates depends to a large extent on the performance of the Underlying. The redemption amount is determined by the Calculation Agent in accordance with the respective Final Terms on the Final Fixing Date.

Depending on the Underlying and the existence of other factors influencing the redemption amount (e.g., management fee or Quanto interest rate), there are different calculation methods for the redemption amount.

#### (b) Specific Product Features – Open End Tracker Certificates

Open End Tracker Certificates are Securities with which the investor, taking a number of parameters described below into account, can participate almost one to one in an increase but also in a decrease of the Underlying. Open-End Tracker Certificates do not have a fixed term and therefore do not entitle the holder to payment of the redemption amount on a specific date already fixed at the time of issue.

If the Security Holder is unable or unwilling to sell their Securities on the stock exchange or off-market, they can only obtain redemption if they effectively exercise the Open-End Tracker Certificates or if the Issuer terminates the Securities early, which in both cases results in payment of the redemption amount. In both cases, the rights arising from the Securities expire upon redemption.

The redemption amount of the Open-End Participation Certificates depends to a large extent on the performance of the respective Underlying. The redemption amount will be determined by the Calculation Agent in accordance with the respective Final Terms. In the event of an effective exercise of the rights under the Securities by the Security holder, the redemption amount will be determined on the "Fixing Date"

In the case of ordinary termination by the Issuer, the Fixing Date and thus the time of calculation of the redemption amount will depend on the time and content of the termination (details in the Final Terms).

Repayment will be made a few days after the respective Fixing Date. Depending on the Underlying and the existence of other factors influencing the amount of the repayment (e.g., management fee or other costs), there are different calculation methods for the redemption amount.

### 3.2 Outperformance Certificates (SSPA Category 1310)

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

"Outperformance Certificates" allow investors to participate in the performance of the Underlyings. If the defined strike price is reached, the participation of the investor is increased participation factor resulting in a disproportionate participation in the positive performance (or, in case of an "Outperformance Certificate" with a bear feature, in the negative performance) of the Underlying. Such "Outperformance Certificates"

may provide for a limit on the achievable profits (cap). The loss potential of the "Outperformance Certificates" corresponds largely to that of the Underlyings and there is the risk of a total loss, unless there is a partial capital protection.

This means that "Outperformance Certificates" have at least one (upper) participation factor that determines the ratio in which the investor participates in price gains of the Underlying above the strike. In addition, the Final Terms may also provide for a lower participation factor, which determines the extent to which investors participate in price losses of the Underlying below the strike. If no lower participation factor is provided for in the Final Terms, the investor participates 1:1 in the losses of the Underlying.

If the reference price of the Underlying is quoted above the strike on the Final Fixing Date, the investor receives a cash compensation upon maturity of the Securities, which is calculated by adding the strike to the difference between the reference price of the Underlying on the Final Fixing Date and the strike multiplied by the (upper) participation factor (taking the subscription ratio into account).

For Securities with a settlement type (physical) Delivery and a participation factor of at least 1, it may be provided that the investor receives an asset (Delivery Item) corresponding to the number of Delivery Items instead of the predetermined cash settlement. If the participation factor is above 1, the investor receives the participation exceeding the factor 1 as a cash compensation.

If the reference price of the Underlying on the Final Fixing Date is lower than the strike, the investor will receive a cash compensation for Securities with the settlement type Payment (Cash Settlement) which corresponds to the sum of the strike and the difference between the reference price of the Underlying and the strike, multiplied by the lower participation factor if applicable (taking the subscription ratio into account). In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation.

#### (a) Specific Product Features - Barrier Outperformance Certificates

In contrast to Outperformance Certificates, Barrier Outperformance Certificates have an additional barrier. As long as this barrier has not been breached by the price of the Underlying during the observation period, the investor receives at least the strike (taking the subscription ratio into account) upon maturity of the Securities, even if the reference price of the Underlying is quoted below the strike on the Final Fixing Date. However, if the barrier has been reached or breached during the observation period, this partial protection by the barrier is removed, and the Barrier Outperformance Certificate behaves - as incidentally - like a normal Outperformance Certificate, as described above.

In the event that the barrier is only considered at final fixing on the Final Fixing Date at the time the respective reference price is determined (barrier observation at maturity), the investor receives a cash compensation upon maturity of the Securities which is calculated by adding the strike to the difference between the reference price of the Underlying on the Final Fixing Date and the strike multiplied by the (upper) participation factor (taking the subscription ratio into account) if the reference price of the Underlying on the Final Fixing Date is quoted above the strike. If the reference price is quoted below the strike but above the barrier, the investor receives the strike (taking the subscription ratio into account). If, however, the reference price of the Underlying is below the barrier on the Final Fixing Date, the cash settlement for Securities with the settlement type Payment (Cash Settlement) corresponds to the sum of the strike and the difference between the reference price of the Underlying and the strike multiplied, if applicable, by the lower participation factor (taking the subscription ratio into account). In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation.

#### (b) Specific Product Features - Capped Outperformance Certificates

In the case of a Capped Outperformance Certificate, the investor participates in the performance of the Underlying above the strike in accordance with the participation factor, but limited to the cap. If the price of the Underlying rises above the cap, the investor no longer benefits. The participation factor may be greater or smaller than 1. A participation factor greater than 1 means that the investor participates disproportionately in price increases of the Underlying above the strike. A participation factor smaller than 1, on the other hand, means that the investor participates under-proportionally in price increases of the Underlying above the strike.

The investor therefore receives the maximum possible cash settlement (maximum amount) on maturity of the Securities if the reference price of the Underlying is quoted on or above the cap on the Final Fixing Date. The maximum amount is calculated by adding the strike to the difference between the cap and the strike multiplied by the participation factor, taking the subscription ratio into account. If the reference price of the Underlying is quoted between the strike and the cap on the Final Fixing Date, the investor will receive the strike plus the difference between the reference price and the strike multiplied by the participation factor, taking the subscription ratio into account.

For Securities with a settlement type (physical) Delivery and a participation factor of at least 1, it may be provided that the investor receives an asset in accordance with the subscription ratio instead of the predetermined cash settlement. If the participation factor is higher than 1, the investor will then receive the participation exceeding the factor 1 as a cash compensation.

If, however, the Underlying is below the strike on the Final Fixing Date, the investor participates 1:1 in the price losses of the Underlying and receives the reference price of the Underlying (taking the subscription ratio into account) for Securities with the settlement type Payment (Cash Settlement). In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items specified in the Final Terms instead of a cash compensation.

### 3.3. Bonus Certificates (SSPA Category 1320)

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

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

If the barrier is not reached or breached during the term of the "Bonus Certificate", investor will receive at least the minimum redemption amount and the potential profit corresponds largely to that of the Underlyings and is not limited (unless there is a cap).

If the barrier is reached or breached, such "Bonus Certificates" change into "Tracker Certificates", with no capital protection. The loss potential then corresponds largely to that of the Underlyings and there is the risk of a total loss, unless there is a partial capital protection.

Thus, the bonus mechanism for Bonus Certificates consists of a bonus level and a barrier. The bonus level is set above or corresponding to the current price of the Underlying at the time of issue and remains constant throughout the term. The barrier is set below the current price of the Underlying at the time of issue.

As long as the price of the Underlying does not fall below the barrier during the observation period or - if provided for in the Final Terms - reaches the barrier, the investor will receive the reference price of the Underlying, taking the subscription ratio into account, but at least the bonus amount (also called bonus payment), which, taking the subscription ratio into account, corresponds to the bonus level, on maturity of the Securities. This construction enables the investor to achieve positive returns compared to direct investments (any distributions of the Underlying are not taken into account) even if the markets tend sideways or fall slightly. In the case of prices above the bonus level, the investor participates one-to-one in the performance of the Underlying.

If the barrier is breached during the observation period or - if provided for in the Final Terms - if the barrier is reached, the bonus mechanism will be suspended and the Issuer will pay a cash compensation for Securities with the settlement type Payment (Cash Settlement) which corresponds to the reference price of the Underlying (taking the subscription ratio into account). In the case of Securities with the settlement type (physical) Delivery, the Issuer will in this case deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of paying a cash compensation.

In the event that the barrier is only considered at final fixing on the Final Fixing Date at the time the reference price is determined and the reference price of the Underlying on the Final Fixing Date is above or - if provided for - on the barrier, the investor receives the reference price of the Underlying, taking the subscription ratio into account, but at least the bonus amount.

If the reference price of the Underlying is below or, if applicable, on the barrier on the Final Fixing Date, the Issuer will pay a cash compensation in the case of Securities with the settlement type Payment (Cash Settlement) which corresponds to the reference price of the Underlying (taking the subscription ratio into account). In the case of Securities with the settlement type (physical) Delivery, the Issuer will also pay a corresponding cash settlement if the reference price of the Underlying on the Final Fixing Date is above or - if provided for in the Final Terms - at the bonus level.

If, on the other hand, the reference price of the Underlying on the Final Fixing Date is below the barrier - if provided for - on the barrier, the Issuer will deliver an asset as described above in the case of Securities with (physical) Delivery.

#### (a) Specific Product Features - Bonus Cap Certificates

Bonus Cap Certificates correspond in their functionality to the conventional Bonus Certificates with one decisive exception: In addition to bonus levels and barriers, these Securities also have a cap that is set above or equal to the bonus level. For the investor, this means that if the price of the Underlying rises, they can only participate up to the cap. The Issuer will redeem the Securities on maturity by paying the bonus amount, provided that the price of the Underlying has not fallen below the barrier during the observation period or - if provided for in the Final Terms - has reached the barrier and the reference price is quoted below or - if provided for - at the bonus level on the Final Fixing Date.

If, on the Final Fixing Date, the reference price of the Underlying is above or - if provided for in the Final Terms - on the bonus level, or if the barrier is (reached or) breached during the observation period, the Issuer will pay a cash compensation in the case of Securities with the settlement type Payment (Cash Settlement) which (taking the subscription ratio into account) corresponds to the reference price of the Underlying. However, the amount of the cash settlement is limited by the maximum amount (i.e., the cap taking the subscription ratio into account).

In the case of Securities with the settlement type (physical) Delivery, the Issuer will also pay a cash compensation (limited to the maximum amount) if the price of the Underlying has not fallen below or - if applicable - reached the barrier during the observation period and the reference price of the Underlying on the Final Fixing Date is above or, if applicable, at the bonus level. If the price of the Underlying (reaches or) breaches the barrier during the observation period and if the reference price of the Underlying is below the cap on the Final Fixing Date, the Issuer will deliver an asset (according to the description of Bonus Certificates) for Securities with the settlement type (physical) Delivery. If the price of the Underlying (reaches or) breaches the barrier during the observation period, but the reference price of the Underlying is quoted again at or above the cap on the Final Fixing Date, the investor receives - in the case of Securities of the settlement type (physical) Delivery - the payment of the maximum amount instead of the delivery of an asset.

In the event that the barrier is only considered at final fixing on the Final Fixing Date at the time the reference price is determined (final fixing consideration), the Issuer will redeem the Securities on maturity by paying the bonus amount, provided that the reference price of the Underlying on the Final Fixing Date is above or - if provided for - on the barrier and below or - if provided for - on the bonus level.

If, on the Final Fixing Date, the reference price of the Underlying is below or, if applicable, on the barrier or above or - if provided for - on the bonus level, the Issuer will pay a cash compensation (limited to the maximum amount) for Securities with the settlement type Payment (Cash Settlement).

In the case of Securities with the settlement type (physical) Delivery, the Issuer will also pay a cash compensation (limited to the maximum amount) if the reference price of the Underlying is above or, if applicable, at the bonus level on the Final Fixing Date. However, if the reference price of the Underlying on the Final Fixing Date is below - if provided for - on the barrier, the Issuer will deliver an asset in the case of Securities with (physical) Delivery, as described above.

#### (b) Specific Product Features - Multi Bonus Certificates

With Multi Bonus Certificates, the investor participates in the performance of several Underlyings. The bonus mechanism consists of a nominal amount, a bonus level, a strike per Underlying and a barrier per Underlying that is below the strike of the respective Underlying.

If none of the prices of the Underlyings has fallen below the relevant barrier during the observation period or – if provided for in the Final Terms - has reached it, the Issuer will pay a cash compensation when the Securities mature. The cash settlement corresponds to the nominal amount multiplied by either the performance of the Underlying with the highest (Best of) or lowest (Worst of) performance or the average percentage performance (on Basket) of all Underlyings calculated on the basis of the reference prices of the relevant Underlyings on the Final Fixing Date in relation to the relevant strike, but at least the bonus level.

If at least one price of an Underlying has fallen below the relevant barrier during the observation period or - if provided for in the Final Terms - has reached the barrier, the bonus mechanism shall be suspended.

The Issuer will pay a cash compensation in the case of Securities with the settlement type Payment (Cash Settlement) which corresponds to the nominal amount multiplied by either the performance of the Underlying with the highest or lowest performance or the average percentage performance of all Underlyings. In the case of Securities with the settlement type (physical) Delivery, however, the Issuer will deliver an asset in accordance with the subscription ratio.

In the event that the respective barrier is considered exclusively on the [Final Fixing Date](#) at the time the reference prices are determined (final fixing consideration), the Issuer will pay a cash compensation upon maturity of the Securities, provided that the reference prices of all Underlyings are above or - if provided for in the Final Terms - on the respective barrier. The cash settlement corresponds to the nominal amount multiplied by either the performance of the Underlying with either the lowest or the highest performance or the average percentage performance of all Underlyings calculated on the basis of the reference prices of the relevant Underlyings on the [Final Fixing Date](#) in relation to the relevant strike, but at least the bonus level. If the reference price of at least one Underlying, all Underlyings or another value specified in the Final terms falls below the relevant barrier on the Final Fixing Date or, if applicable, reaches it, the Issuer will pay a cash compensation for Securities with the settlement type Payment (Cash Settlement). The cash settlement corresponds to the nominal amount multiplied by either the lowest or highest performance or the average percentage performance of all Underlyings.

In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation. The asset to be delivered is determined depending on the Underlying with the lowest or highest percentage performance (as specified in the relevant Final Terms).

#### (c) [Specific Product Features - Multi Bonus Cap Certificates](#)

Compared to Multi Bonus Certificates, Multi Bonus Cap Certificates have the special feature that there is also a cap that is set as a percentage above or equal to the bonus level.

If none of the prices of the relevant Underlyings has fallen below the relevant barrier during the observation period or - if provided for in the Final Terms - has reached the relevant barrier, the Issuer will pay a cash compensation when the Securities mature. The cash settlement corresponds to the nominal amount multiplied by - in accordance with the Final Terms - either the performance of the Underlying with the best or worst performance or the average percentage performance of the Underlyings calculated on the basis of the reference prices of the relevant Underlyings on the Final Fixing Date in relation to the relevant strike, but not less than the bonus level and not more than the maximum amount.

If at least one price of the respective Underlyings has fallen below the respective barrier during the observation period or - if provided for in the Final Terms - has reached it, the bonus mechanism is suspended.

In the case of Securities with the settlement type Payment (Cash Settlement), the Issuer will in this case pay a cash compensation equal to the nominal amount multiplied by the percentage performance of the Underlying with - in accordance with the Final Terms - the best (Best of) or worst (Worst of) performance or the average percentage performance of the Underlyings calculated on the basis of the reference prices of the relevant Underlyings on the Final Fixing Date in relation to the relevant strike, but not exceeding the maximum amount.

In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation. The asset to be delivered is determined depending on the Underlying with the lowest or highest percentage performance. In the event that the value of the assets to be delivered equals or exceeds the maximum amount, the investor will receive payment of the maximum amount instead of delivery of the assets.

In the event that the respective barrier is considered exclusively on the Final Fixing Date at the time the reference prices are determined (final fixing consideration), the Issuer will pay a cash compensation on maturity of the Securities if none of the reference prices of the respective Underlyings has fallen below the respective barrier on the Final Fixing Date or - if provided for - has reached it. The cash settlement corresponds to the nominal amount multiplied by either the performance of the Underlying with the best or worst performance or the average percentage performance of the Underlyings calculated on the basis of the reference prices of the relevant Underlyings on the Final Fixing Date in relation to the relevant strike, but not less than the bonus level and not more than the maximum amount.

If at least one reference price of an Underlying has fallen below the relevant barrier on the Final Fixing Date or - if provided for - reached it, the entitlement to payment of the bonus amount described above will be lost and the Issuer will pay a cash compensation for Securities with the settlement type Payment (Cash Settlement). The cash settlement corresponds to the nominal amount multiplied by the percentage performance of the Underlying with the worst performance or the average percentage performance of the Underlyings calculated on the basis of the reference prices of the relevant Underlyings on the Final Fixing Date in relation to the relevant strike, but not exceeding the maximum amount.

In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation. The asset to be delivered is determined depending on the Underlying with the lowest or highest percentage performance. In the event that the counter value of the assets to be delivered equals or exceeds the maximum amount, the investor will receive payment of the maximum amount instead of the delivery of the assets.

### 3.4 Airbag Certificates

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

Airbag Certificates allow the investor to participate in the performance of the Underlying with the potential profit not being limited (unless the Airbag Certificate contains a cap) and provide for a conditional minimum redemption amount at the end of the term of the Airbag Certificate.

If the value of the Underlying develops favourably, i.e., if the value of the Underlying increases above the upper strike price (or, in the case of Airbag Certificates with a bear feature, decreases below the lower strike price), the redemption amount is linked to and the investors will participate in the positive performance (or, in the case of Airbag Certificates with a bear feature, in the negative performance) of the Underlying.

If the value of the Underlying develops unfavourably and is at or below the upper strike price but at or above the lower strike price, the investor will receive the specified minimum redemption amount.

If the value of the Underlying develops unfavourably (i.e., if the value of the Underlying decreases) and is below the lower strike price (or, in the case of Airbag Certificates with a bear feature, increases above the upper strike

price), the redemption amount is linked to and investors will participate in the negative performance (or, in the case of Airbag Certificates with a bear feature, in the positive performance) of the Underlying.

Investors' participation in the performance of the Underlying may be increased by a participation factor (or a multiplier or leverage factor), resulting in an over proportionate profit or loss participation in the performance of the Underlying.

Airbag Certificates may also be equipped with a so-called cap.

Under this Base Prospectus, Airbag Certificates may be issued with further additional features, including those already described above in connection with other types of derivatives, e.g. Multi or Cap, or which are described below.

In contrast to Airbag Certificates without a cap, the cap limits the investor's participation in any price gains of the underlying above the strike price to the maximum amount.

In case of the Multi Option, the investor participates in the performance of several Underlyings. The bonus mechanism consists of a nominal amount, a bonus level, a strike per Underlying and a barrier per Underlying that is below the strike of the respective Underlying.

The Issuer will pay a cash compensation in the case of Securities with the settlement type Payment (Cash Settlement) which corresponds to the nominal amount multiplied by either the performance – above the Initial Fixing Level or the bonus level - of the Underlying with – in accordance with the Final Terms - the highest or lowest performance or the average percentage performance of all Underlyings, which is determined calculated on the basis of the reference prices of the relevant Underlyings on the Final Fixing Date in relation to the relevant strike, but not exceeding the maximum amount.

In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation. The asset to be delivered is determined depending on the Underlying with the lowest or highest percentage performance (as specified in the relevant Final Terms). In the event that the counter value of the assets to be delivered equals or exceeds the maximum amount, the investor will receive payment of the maximum amount instead of the delivery of the assets.

### 3.5 Bonus Outperformance Certificates (SSPA Category 1330)

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

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

If the specified barrier is not reached or breached during the term of the "Bonus Outperformance Certificate", investor will receive at least the minimum redemption amount.

Furthermore, if the defined strike price is reached, the participation of the investor is increased by a participation factor resulting in a disproportionate participation in the positive performance (or, in case of an "Bonus Outperformance Certificate" with a bear feature, in the negative performance) of the Underlying and the potential profit is not limited (unless there is a cap).

If the specified barrier is reached or breached during the term of the "Bonus Outperformance Certificates", such "Bonus Outperformance Certificates" change into "Outperformance Certificates", with no capital protection. The loss potential then corresponds largely to that of the Underlyings and there is the risk of a total loss, unless there is a partial capital protection.

Bonus Outperformance Certificates thus combine the functionality of Bonus Certificates with that of Outperformance Certificates. In addition to the bonus mechanism consisting of bonus level and barrier, they have at least one (upper) participation factor which determines the ratio in which the investor participates in price gains of the Underlying above the strike.

As long as the price of the Underlying does not fall below the barrier during the observation period or - if provided for in the Final Terms - reaches the barrier, the investor will receive a cash compensation upon maturity of the Securities, which is calculated by adding the strike (bonus level) to the difference between the reference price of the Underlying on the Final Fixing Date and the strike multiplied by the (upper) participation factor (taking the subscription ratio into account). At a minimum, however, the investor receives the bonus amount (which corresponds to the bonus level taking the subscription ratio into account). This construction enables the investor to achieve positive returns compared with direct investments (any distributions of the Underlying are not taken into account) even if the markets tend sideways or fall slightly. In the case of prices above the bonus level, the investor participates disproportionately in the performance of the Underlying.

If the barrier is breached during the observation period or - if provided for in the Final Terms - reached, the bonus mechanism is suspended and the Security becomes a pure Outperformance Certificate.

Bonus Outperformance Certificates with further additional features may also be issued under this Base Prospectus, including these which have already been described above in connection with other types of Securities, e.g., Multi or Cap, or which are described below.

In addition, the Final Terms may also provide for a lower participation factor, which determines the extent to which the investor participates in price losses of the Underlying below the strike. If no lower participation factor is provided for in the Final Terms, the investor participates 1:1 in the losses of the Underlying.

### 3.6 Twin-Win Certificates (SSPA Category 1340)

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

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

If the value of the Underlying increases above the strike price, the value of the "Twin-Win Certificates" and the profit corresponds largely to that of the Underlyings and the potential profit is not limited (unless there is a cap).

If the value of the Underlyings is below the strike price, but the value of the Underlying did not touch or fall below the barrier throughout the term of such "Twin-Win Certificates", then the negative performance of the Underlying are converted into corresponding profits for investors in the "Twin-Win Certificates".

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

If the barrier is reached or breached, such "Twin-Win Certificates" change into "Tracker Certificates" and loss potential then corresponds largely to that of the Underlyings and there is the risk of a total loss, unless there is a partial capital protection.

With a Twin-Win Certificate, the investor thus has the opportunity to participate unlimitedly in price increases of the Underlying above the strike in accordance with the (upper) participation factor, as well as to generate profits up to the barrier in the event of falling prices of the Underlying. This positive participation in falling prices for the investor can be directly proportional in a ratio of 1:1. However, the Final Terms may also provide for a (lower) participation factor, which determines the extent of positive participation in price losses of the Underlying as disproportionate (greater than 1) or under proportionate (smaller than 1). If the barrier is breached during the observation period by the price of the Underlying, any positive participation in falling prices of the Underlying will cease and the investor will participate in losses of the Underlying below the Strike 1: 1 or - if provided for in the Final Terms - according to the lower participation factor.

If the reference price of the Underlying is quoted above the strike on the Final Fixing Date, the investor receives a cash compensation upon maturity of the Securities, which is calculated by adding the strike to the difference between the reference price of the Underlying on the Final Fixing Date and the strike multiplied by the (upper) participation factor (taking the subscription ratio into account). If the reference price of the Underlying on the Final Fixing Date is below the strike, the investor will receive as cash settlement the sum of the strike and

the difference between the strike and the reference price of the Underlying (taking the subscription ratio into account) - multiplied, if applicable, by the lower participation factor - if the barrier was not breached during the observation period. If, however, the barrier was breached during the observation period, the investor receives a cash compensation equal to the sum of the strike and the difference between the reference price of the Underlying and the strike multiplied, if applicable, by the lower participation factor (taking the subscription ratio into account). In the case of Securities with the settlement type (physical) Delivery, the Issuer will deliver an asset (Delivery Item) corresponding to the number of Delivery Items instead of a cash compensation.

Twin-Win Certificates can also be designed in such a way that the barrier is only considered at final fixing on the Final Fixing Date (so-called final fixing consideration).

#### (a) Specific Product Features - Capped Twin Win Certificates

Capped Twin Win Certificates function in the same way as Twin Win Certificates but have a cap as a special feature. This cap has the effect that the investor cannot participate in price increases of the Underlying above this cap. The maximum cash settlement (maximum amount) for Capped Twin Win certificates is therefore limited already from the beginning.

If the reference price of the Underlying on the Final Fixing Date is thus above the cap, the investor receives only a maximum amount equal to the sum of the strike and the difference between the cap and the strike multiplied by the (upper) participation factor (taking the subscription ratio into account). Otherwise, this type of Security functions in the same way as Twin Win Certificates without a cap.

### 4. Investment Products with additional credit risk (Category 14)

"Investment Products with additional credit risk" are affected by the occurrence of a defined credit event in respect of a reference entity or reference obligation. Possible credit events are, for example, bankruptcy, insolvency, obligation acceleration, debtor default, repudiation/moratorium, governmental intervention and restructuring. If a credit event occurs in respect to the reference entity or reference obligation during the term or another reference period defined in the product terms and conditions (e.g. notice delivery period) of the "Investment Products with Additional Credit Risk", they will be redeemed at a value which may be significantly below their initial value and as low as zero and investors will make a partial or total loss.

#### 4.1 Credit Linked Notes (SSPA Category 1400)

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

Generally, if during the term of a "Credit Linked Note" a credit event or a credit redemption event occurs in respect to the relevant reference entity or reference obligation occurs, further coupon payments and the repayment of the entire or part of the redemption amount of the product are at risk in accordance with the applicable terms and conditions of the relevant "Credit Linked Note" (early redemption). In such case, the amount received by investors may be significantly below the initial value of the product and may fall to zero, and investors will suffer a partial or total loss. Therefore, in particular, the solvency of a specific reference entity is decisive.

Generally, if during the term of a "Credit Linked Note" no credit event or credit redemption event occurs with respect to the relevant reference entity or reference obligation, "Credit Linked Notes" generally provide for a defined scheduled redemption amount equal to a specified percentage of the relevant nominal or par value specified in the applicable product terms and conditions, which investors in such products will receive on the defined scheduled redemption date, unless the product is redeemed prior to the scheduled redemption date.

#### 4.2 Conditional Capital Protection Note with additional credit risk (SSPA Category 1410)

"Conditional Capital Protection note with additional credit risk" are primarily targeted at investors that (i) expect the value of the Underlying to increase (or, in the case of "Conditional Capital Protection note with additional credit risk" with a bear feature, to decrease), (ii) consider a sharp decrease of the value of the

Underlying to be possible (or, in the case of "Conditional Capital Protection note with additional credit risk" with a bear feature, a sharp increase of the value of the Underlying) and (iii) and expect no credit event to occur with regard to a reference entity or reference obligation.

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

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

#### 4.3 Yield Enhancement Certificate with additional risk (SSPA Category 1420)

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

"Yield Enhancement Certificates with additional credit risk" may have one or more underlying reference entities or obligations. If during the term of the "Yield Enhancement Certificates with additional credit risk" no credit event occurs in respect of the reference entity or reference obligation, investors will receive a coupon or a discount and the "Yield Enhancement Certificates with additional credit risk" will work in the same manner as the corresponding "Yield Enhancement Product" on which they are based.

If a credit event occurs in respect of the reference entity or reference obligation during the term of the "Yield Enhancement Certificates with additional credit risk", they will be redeemed at a value which may be significantly below their initial value and as low as zero and investors will make a partial or total loss.

#### 4.4 Participation Certificate with additional risk (SSPA Category 1430)

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

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

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

### 5. Leverage Products (SSPA Category 20)

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

#### 5.1 Warrants (SSPA Category 2100)

"Warrants" with a call feature ("**Call Warrants**") are primarily targeted at investors that expect the value of the Underlying and the volatility to increase. "Warrants" with a put feature ("**Put Warrants**") are primarily

targeted at investors that expect the value of the Underlying to decrease and volatility to increase. "Warrants" are therefore suitable for hedging and speculating purposes.

The essential attribute of "Warrants" is the leverage effect. The leverage effect causes the value of such "Warrants" to react proportionally more strongly to changes in the value of the Underlying below or above the strike price, as applicable. The leverage is the result of the fact that the invested capital in such "Warrants" is smaller than for a direct investment in the Underlying. Therefore, a smaller investment may generate a leveraged performance relative to the Underlying.

Warrants are thus Securities with which the investor can participate in a rise (option type Call) or fall of the price of the Underlying (option type Put) in a leveraged manner.

With a Call Warrant, investors can benefit from rising prices of an Underlying with leverage effect. At maturity, the value of the Call Warrant will track the positive performance of the Underlying above the strike, taking the subscription ratio into account. The earnings potential is generally not limited. Due to the significantly lower purchase price of the Call Warrant compared to an alternative direct investment in the Underlying, there is a leverage effect. In principle, the return potential in an upward movement is not limited; conversely, investors also participate leveraged in a downward movement (negative scenario). The investor suffers a total loss if the relevant price of the Underlying (the so-called reference price) reaches or falls below the strike.

With a Put Warrant, investors can benefit from falling prices of an Underlying with leverage effect. At maturity, the value of the Put Warrant will track the negative performance of the Underlying below the strike, taking the subscription ratio into account. The earnings potential is only limited by the fact that each Underlying can fall to a maximum of zero (0) currency units. The significantly lower purchase price of the Put Warrant compared to an alternative covered short sale of the Underlying results in a leverage effect. The maximum profit results in the case of a worthless Underlying; conversely, investors also participate leveraged in an upward movement (negative scenario). The investor suffers a total loss if the relevant price of the Underlying (the so-called reference price) reaches or exceeds the strike.

### **Redemption of the warrants**

Warrants have a fixed term and - in the case of settlement type Payment (Cash Settlement) - generally entitle the holder to payment of the redemption amount on the maturity date. The Warrants may provide for a **European** or an **American** type of exercise. The Issuer will provide the relevant information in the Final Terms. In both cases, automatic exercise and redemption takes place at the end of the term if the redemption amount determined as described below is positive. In the case of an American exercise, the security holder may also exercise the Securities during the exercise period specified in the Final Terms and, in the case of an effective exercise, demand payment of the redemption amount before the end of the term. Their rights from the Securities then expire with the early redemption.

The redemption amount of the Warrants depends on the performance of the Underlying. The amount of the redemption is determined as follows.

For Call Warrants, the redemption amount results from the difference between the price of the Underlying on the Final Fixing Date (the **reference** price) and the strike.

For Put Warrants, the redemption amount is calculated from the difference between the strike and the reference price.

The amount by which the reference price exceeds (for Call Warrants) or falls below (for Put Warrants) the strike price is therefore decisive for the amount of the respective redemption amount.

In both exercise variants (i.e., European or American) and in both option types (Call or Put), the Strike and the reference price at final fixing serve as the basis for calculating the redemption amount.

For automatic exercise at maturity, the Issuer will specify in the Final Terms for both exercise types (European and American) the Final Fixing Date relevant for determining the reference price. In the case of an American exercise, the Final Fixing Date is generally the day within the exercise period on which the Securities is effectively exercised by the security holder in accordance with the General Terms and Conditions in conjunction with the Final Terms.

In calculating the Redemption Amount, the respective subscription ratio (ratio) must also be taken into account. If the currency of the Underlying differs from the trading currency of the Securities, the redemption amount is converted into the trading currency of the Securities at the relevant exchange rate.

If the calculated redemption amount is not positive, the Issuer will arrange for a worthless charge-off of the Securities and the investor will suffer a total loss.

Securities with the settlement type (physical) Delivery are not automatically exercised at the end of the term. If the option is exercised, the investor of Call Warrants is entitled to acquire a number of Underlyings corresponding to the subscription ratio from the Issuer at the strike. With Put Warrants, the investor is entitled to sell a number of Underlyings corresponding to the subscription ratio to the Issuer at the strike. The Additional terms for warrants and Final Terms determine further details of the settlement of an exercise. If the Warrants are not exercised, they expire worthless unless otherwise specified in the Final Terms.

### 5.2 Spread Warrants (SSPA Category 2110)

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

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

The potential yield of an investment in "Spread Warrants" is limited, namely by the upper cap in the case of "Spread Warrants" with a bull feature and by the lower cap in the case of "Spread Warrants" with a bear feature. This means that an investor may benefit from an increase (in the case of bull feature) or a decrease (in the case of a bear feature) of the value of the Underlying up to a maximum value at the lower or upper cap, as applicable.

Spread Warrants (also known as Discount Warrants) thus function in the same way as conventional Warrants with one decisive exception: These Securities also have a cap that is set above (option type Call or Bull) or below (option type Put or Bear) the strike. For the investor, this means that if the price of the Underlying rises (option type Call or Bull) or falls (option type Put or Bear), they can only profit leveraged up to the cap.

On the maturity date, investors will receive a redemption amount equal to the difference by which the reference price of the Underlying exceeds the strike (option type Call or Bull) or falls below it (option type Put or Bear) taking the subscription ratio into account, as specified in the relevant Final Terms. However, the redemption amount is in any case limited to the difference between the cap and the strike (option type Call or Bull) or between the strike and the cap (option type Put or Bear), taking the subscription ratio into account. If the reference price of the Underlying is at or below (option category Call or Bull) respectively above (option category Put or Bear) the strike, the redemption amount is zero (0).

### 5.3 Warrants with Knock-Out (SSPA Category 2200)

"Warrants with Knock-Out" and a call feature ("**Call Warrant with Knock-Out**") are primarily targeted at investors that expect the value of the Underlying to increase. "Warrants with Knock-Out" and a put feature ("**Put Warrant with Knock-Out**") are primarily targeted at investors that expect the value of the Underlying to decrease

"Warrants with Knock-Out" provide for a leverage effect, meaning the value of such "Warrants with Knock-Out" will react proportionally more strongly to changes in the value of the Underlying below or above the knock out, as applicable. The leverage is the result of the fact that the invested capital in such "Warrants with Knock-Out" is smaller than for a direct investment in the Underlying. Therefore, a smaller investment may generate a leveraged performance relative to the Underlying. Volatility only has a minor effect on the value of "Warrants with Knock-Out" and also the loss of time value is marginal.

"Warrants with Knock-Out" are thus Securities with which the investor can participate leveraged in a rise (option type Call) or fall (option type Put) in the price of the Underlying.

Upon issue, the Warrants with Knock-Out are issued with a **fixed term** or **without a fixed term, i.e., open-end**.

With a Call Warrant with Knock-Out, investors can benefit with leverage effect from rising prices of an Underlying. The positive and negative performance of the Underlying is generally tracked by the Call Warrant with Knock-Out, taking the subscription ratio into account. Due to the significantly lower purchase price of

the Call Warrant with Knock-Out compared to an alternative direct investment in the Underlying, there is a leverage effect. In principle, the return potential in an upward movement is not limited (for Knock-Out type "down & out"); conversely, investors also participate with leverage in a downward movement (negative scenario). As soon as the price of the Underlying reaches or falls below ("**Knock-Out Event**") a certain barrier (the so-called knock-out barrier) during a downward movement, the Call Warrant with Knock-Out expires worthless.

With a Put Warrant with Knock-Out, investors can benefit with leverage effect from falling prices of an Underlying. The positive and negative performance of the Underlying is generally tracked by the Put Warrant with Knock-Out taking the subscription ratio into account. The significantly lower purchase price of the Put Warrant with Knock-Out compared to an alternative covered short sale of the Underlying results in a leverage effect. The maximum profit results in the more theoretical case of a worthless Underlying (for Knock-Out type "up & out"); conversely, investors also participate with leverage in an upward movement (negative scenario). As soon as the price of the Underlying reaches or exceeds a certain barrier (the so-called knock-out barrier) during an upward movement, the Put Warrant with Knock-Out expires worthless.

### **Redemption of Warrants with Knock-Out and maturity limit**

"Warrants with Knock-Out" can be issued with a fixed term. In this case, they grant a claim to payment of the redemption amount on the maturity date, **unless a Knock-Out and premature termination of the term occurs due to the worthless expiry of the Securities** (as described below under Early Redemption upon the occurrence of a Knock-Out Event). The Warrants with Knock-Out are issued with a **European** type of exercise, i.e., the security holder has no right to exercise the Warrants with Knock-Out during the term; instead, they are - subject to the occurrence of a Knock-Out Event in the meantime - automatically exercised at the end of the term.

The redemption amount of the Warrants with Knock-Out depends on the performance of the respective Underlying. The amount of the redemption is determined as follows. The redemption amount for "Call Warrants with Knock-Out" is generally the difference between the price of the Underlying on the Final Fixing Date (the **reference price**) and the exercise price (strike).

With the option type Put, the redemption amount is calculated from the difference between the strike and the reference price.

The amount by which the reference price exceeds (for the option type Call) or falls below (for the option type Put) the strike is therefore decisive for the amount of the respective redemption amount.

For both option types (Call or Put), the strike and the reference price serve as the basis for calculating the redemption amount. For the option type Call, the strike at issue is lower than the price of the Underlying, for the option type Put it is higher.

In calculating the redemption amount, the respective subscription ratio shall also be taken into account. If the currency of the Underlying differs from the trading currency of the Securities, the redemption amount is converted into the trading currency of the Securities at the relevant exchange rate. If the calculated redemption amount is not positive, the Issuer will arrange for a worthless charge-off of the Securities and the investor will suffer a total loss.

### **Redemption of Warrants with Knock-Out without maturity limit (Open-End) upon exercise or termination**

"Warrants with Knock-Out" can be issued without a fixed maturity, i.e., open-end. In principle, the Open-End Warrants with Knock-Out function in the same way as the Warrants with Knock-Out with a maturity limit described above. The main difference is that the Open-End Warrants with Knock-Out do not have a fixed maturity.

Open-End Warrants with Knock-Out do not have a fixed maturity and therefore do not entitle the holder to payment of the redemption amount on a specific date already fixed at the time of issue.

If the security holder is unable or unwilling to sell their Securities on the stock exchange or off-market, they can only obtain redemption if they effectively exercise the Open-End Warrants with Knock-Out issued in the **American** type of exercise or if the Issuer terminates the Securities prematurely and, in both cases, - **subject to the occurrence of a Knock-Out Event in the meantime** (as described below under Early redemption upon occurrence of a Knock-Out Event) - the redemption amount is paid. In both cases, the rights arising from the Securities expire upon redemption.

In the case of Open-End Warrants with Knock-Out, it should also be noted that some features, in particular the strike, the knockout barrier and possibly even the Underlying, are continuously adjusted in accordance with certain rules described in more detail below. The calculation of the redemption amount described below therefore always refers to the **current strike** at the relevant time (and the **current knock-out barrier** and, if applicable, the **current Underlying**).

The redemption amount of the Open-End Warrants with Knock-Out depends on the performance of the respective Underlying.

The redemption amount in the event of effective exercise or ordinary termination by the Issuer shall be determined as follows. In the case of Open-End Warrants with Knock-Out of the option type Call, the redemption amount is generally calculated from the difference between the relevant quotation on the Final Fixing Date, status or price of the Underlying on a specific day, the **Final Fixing Date** (the **reference price**) and the current strike.

In the case of Open-End Warrants with Knock-Out of the option type Put, the redemption amount is calculated on the basis of the difference between the current strike and the reference price.

The amount by which the reference price exceeds (for the option type Call) or falls below (for the option type Put) the current strike is therefore decisive for the amount of the respective redemption amount.

For both option types (Call or Put), the current strike and the reference price serve as the basis for calculating the redemption amount.

If the rights arising from the Securities are exercised by exercise, the Final Fixing Date is generally the day on which the Securities is effectively exercised by the security holder in accordance with the Additional terms for warrants in conjunction with the Final Terms, so that the reference price is also determined accordingly. In the case of an ordinary termination by the Issuer, the Final Fixing Date and thus the time at which the reference price is determined will depend on the time and content of the termination (see Additional terms for warrants and Final Terms for details).

When calculating the redemption amount, the respective subscription ratio (ratio) must also be taken into account. If the currency of the Underlying differs from the trading currency of the Securities, the redemption amount is converted into the trading currency of the Securities at the relevant exchange rate.

If the calculated redemption amount is not positive, the Issuer will arrange for a worthless charge-off of the Securities and the Investor will suffer a total loss.

#### **Early redemption upon occurrence of a Knock-Out Event**

A Knock-Out Event occurs when a certain price of the Underlying at a certain time (the **observation period**) touches or breaches a certain price threshold (the so-called (**current**) **knock-out barrier**). A single touch or - shortfall or exceedance is sufficient to trigger a Knock-Out Event. **The Securities are automatically exercised and immediately expire worthless. The term of the Securities ends prematurely with the occurrence of a Knock-Out Event without further action by the security holder.**

Since the knock-out barrier corresponds to the strike, the redemption amount in this case is zero (0).

#### **Open-End Warrants with Knock-Out: regular change in the Strike and Knock-Out Barrier**

Investors must note that with Open-End Warrants with Knock-Out, the strike and knock-out barrier of the Securities may change on certain days specified in the Final Terms (e.g., every weekday) according to a certain adjustment logic, whereby both features are usually increased for Securities of the option category Call and reduced for Securities of the option category Put (current strike and current knock-out barrier).

As a result, the current strike of Securities of the option type Call generally increases continuously solely due to the time lapse, which has a negative effect on the value of Securities of the option type Call. The effects on the option type Put depend on whether the so-called reference interest rate is taken into account in accordance with the adjustment rule in the Final Terms, which depends on the Underlying to which the Security refers.

If a reference interest rate is taken into account, the following applies: With the option type Put, the adjustment of the current strike can lead to both an increase and a decrease in the value of the Securities of the option type Put. A reduction in the value of the Securities of the option type Put solely due to the time lapse occurs if the current financing spread, which is also included in the calculation, exceeds the reference

interest rate applied. Otherwise, there may also be an increase in the value of the Securities of the option type Put.

If, on the other hand, no reference interest rate is taken into account, the following applies: With the option type Put the continuous reduction in the current strike results in a decrease in the value of the Securities.

#### 5.4 Mini-Futures (SSPA Category 2210)

"Mini Futures" (long) are primarily targeted at investors that expect the value of the Underlying to increase.

"Mini Futures" (short) are primarily targeted at investors that expect the value of the Underlying to decrease.

"Mini Futures" are therefore suitable for hedging and speculating.

"Mini Futures" provide for a leverage effect, meaning the value of such "Mini Futures" will react proportionally more strongly to changes in the value of the Underlying below or above the stop-loss barrier. The leverage effect is the result of the fact that the invested capital in such "Mini Futures" is smaller than for a direct investment in the Underlying. Therefore, a smaller investment may generate a leveraged performance relative to the Underlying.

Mini Futures are thus Securities with which the investor can participate leveraged in a rise (Long type) or fall in the price of the Underlying (Short type).

At issue, the Mini Futures are issued with a **fixed term** or **without a fixed term, i.e., open-end**.

In principle, the Mini Futures function in the same way as the Warrants with Knock-Out described above. Both option types (Long or Short) of the Mini Future have the so-called **stop-loss barrier (also "Stop-Loss Level")**, which is above the strike (the **financing level**) (option type Long) or below the strike (option type Short). If the price of the Underlying falls to or below the stop-loss barrier (Long type) respectively if the price rises to or above the stop-loss barrier (Short type), the Securities are automatically exercised (i.e., the Issuer pays back the Security in accordance with the Final Terms).

#### **Redemption of Mini Futures with maturity limit**

Mini Futures can be issued with a fixed term. In this case, they grant a claim to payment of the redemption amount on the maturity date, **unless a Stop-Loss Event and premature termination of the term due to the worthless expiry of the Securities** (as described below under Early Redemption upon the occurrence of a Stop-Loss Event) **occurs**. Mini Futures with a limited term may be issued with a **European** type of exercise, i.e., the security holder has no right to exercise the Mini Futures during the term, but instead - subject to the occurrence of a Stop-Loss Event in the meantime - an automatic exercise takes place at the end of the term. Mini futures with maturity limit can also be issued with an American type of exercise, i.e. the security holder has a (e.g. daily) right of termination.

The redemption amount of the Mini Futures depends on the performance of the respective Underlying. The redemption amount is determined as follows.

For Mini Futures with the Long type, the redemption amount is generally the difference between the price of the Underlying on the Final Fixing Date (the **reference price**) and the strike.

In the case of the Short type, the redemption amount is generally calculated accordingly from the difference between the strike and the reference price.

The amount by which the reference price exceeds (in case of Long type) respectively falls below (in case of Short type) the strike is therefore decisive for the amount of the respective redemption amount.

For both types (Long or Short), the strike and the reference price (i.e., a specific quotation fixed at the time of issue, the price respectively the position of the Underlying on a specific day, the **Final Fixing Date**) serve as the basis for calculating the redemption amount. For the Long type, the strike at issue is lower than the price of the Underlying, for the Short type, it is higher.

In calculating the redemption amount, the respective subscription ratio shall also be taken into account. If the currency of the Underlying differs from the trading currency of the Securities, the redemption amount is converted into the trading currency of the Securities at the relevant exchange rate.

If the calculated redemption amount is not positive, the Issuer will arrange for a worthless charge-off of the Securities and the investor will suffer a total loss.

## **Redemption of Mini Futures without maturity limit (open-end) upon exercise or termination**

Mini Futures are usually issued without a fixed term, i.e., open-end. In principle, these Mini Futures function in the same way as the Mini Futures with a limited term described above. The main difference is that the Open-End Mini Futures do not have a fixed term.

Open-End Mini Futures do not have a fixed maturity and therefore do not entitle the holder to payment of the redemption amount on a specific date already fixed at the time of issue.

If the security holder is unable or unwilling to sell their Securities on the stock exchange or off-market, they can only obtain redemption if they effectively exercise the **American-style** Open-End Mini Futures or if the Issuer prematurely terminates the Securities and, in both cases, - **subject to the occurrence of a Stop Loss Event in the meantime** (as described below under Early redemption upon occurrence of a Stop-Loss Event) – the redemption amount is paid. In both cases, the rights arising from the Securities expire upon redemption.

In the case of Open-End Mini Futures, it should also be noted that certain features, in particular the strike, the stop-loss barrier and possibly even the Underlying, are continuously adjusted in accordance with certain rules described in more detail below. The calculation of the redemption amount described below therefore always refers to the **current strike** at the relevant time (and the **current stop loss barrier** and, if applicable, the **current Underlying**).

The redemption amount of the Open-End Mini Futures depends on the performance of the respective Underlying. The redemption amount in the event of effective exercise or ordinary termination by the Issuer shall be determined as follows.

In the case of Open-End Mini Futures with the option type Long, the redemption amount is generally calculated as the difference between the relevant quotation on the Final Fixing Date, status respectively price of the Underlying on a specific day, the **Final Fixing Date** (the **reference price**) and the strike.

In the case of Open-End Mini Futures of the option type Short, the redemption amount is generally calculated on the basis of the difference between the current strike and the reference price.

The amount by which the reference price exceeds (in case of Long type) or falls below (in case of Short type) the current strike is therefore decisive for the amount of the respective redemption amount.

For both types (Long or Short), the current strike and the reference price serve as the basis for calculating the redemption amount.

If the rights arising from the Securities are exercised by exercise, the Final Fixing Date is generally the day on which the Securities is effectively exercised by the security holder in accordance with the Additional Terms for Mini Futures conjunction with the Final Terms, so that the reference price is also determined accordingly. In the case of an ordinary termination by the Issuer, the Final Fixing Date and thus the time at which the reference price is determined will depend on the time and content of the termination (see Additional Terms for Mini Futures and Final Terms for details).

When calculating the redemption amount, the respective subscription ratio (ratio) must also be taken into account. If the currency of the Underlying differs from the trading currency of the Securities, the redemption amount is converted into the trading currency of the Securities at the relevant exchange rate.

If the calculated redemption amount is not positive, the Issuer will arrange for a worthless charge-off of the Securities and the investor will suffer a total loss.

### **Early Redemption upon occurrence of a Stop-Loss Event**

A Stop-Loss Event occurs when a certain price of the Underlying at a certain time (the **observation period**) touches or falls below (Long type) a certain price threshold (the so-called **stop-loss barrier** resp. **Stop-Loss Level**) respectively touches or exceeds it (Short type). The stop-loss barrier is subject to the regular adjustment described below, so that the occurrence of a Stop-Loss Event always depends on the respective (**current**) **stop-loss barrier**.

The (current) stop loss barrier is always above the (current) strike for Mini Futures of Long type. On issuance, the stoploss barrier is set below the price of the Underlying. For Securities of Short type, the (current) stop-loss barrier is always below the (current) strike; at issue it is set above the price of the Underlying. A single touch or - depending on the type - exceeding or falling below the (current) stop-loss barrier is sufficient to trigger a Stop-Loss Event. **The Securities are exercised automatically.**

The redemption amount is calculated according to the same (preceding) formula as for the exercise or ordinary termination. However, the so-called **Stop-Loss Liquidation Price** is used as the valuation price for determining the redemption amount. This quotation, status respectively price of the Underlying shall be determined by the Calculation Agent at its reasonable discretion within a period of time specified in the Final Terms after the occurrence of the Stop-Loss Event. It cannot be ruled out that the redemption amount will be zero (0), especially if the price of the Underlying falls (Long type) or rises (Short type) rapidly. The term of the Securities ends prematurely with the occurrence of a Stop-Loss Event without further action by the security holder.

The occurrence of such a Stop-Loss Event generally takes precedence over exercise or termination in accordance with the Final Terms.

#### **Open-End Mini Futures: regular change in the Strike and Stop-Loss Barrier**

For Mini Futures, investors must note that the strike of the Securities may change on certain days specified in the Final Terms (e.g., any trading day) according to a certain adjustment logic, whereby it is usually increased for Securities of the Long type and reduced for Securities of the Short type (current strike).

As a result, the current strike of the Securities of the Long type generally increases continuously solely due to the time lapse, which has a negative effect on the value of the Securities of the Long type. The effects on the Short type depend on whether the so-called reference interest rate is taken into account in accordance with the adjustment rule in the Final Terms, which depends on the Underlying to which the Security refers.

If a reference interest rate is taken into account, the following applies: In the case of the Short type, the adjustment of the current strike can result in both an increase and a decrease in the value of the Securities of the Short type. A reduction in the value of Securities of the Short type solely due to the time lapse occurs if the current financing spread, which is also included in the calculation, exceeds this reference interest rate. Otherwise, there may also be an increase in the value of the Securities of the Short type.

If, on the other hand, no reference interest rate is taken into account, the following applies: In the case of the Short type, the value of the Securities decreases as a result of the continuous reduction of the current strike.

The stop-loss barrier is also adjusted to the changed strike in accordance with a time rule specified in the Final Terms (e.g., at the beginning of each month) and additionally in the event of a roll-over of the Underlying (as described below) by determining the stop-loss barrier in accordance with a so-called stop-loss buffer dependent on the current strike; the stop-loss barrier then basically remains the same for the intended adjustment period. The stop loss buffer may be modified by the Calculation Agent within the framework of the Final Terms.

In addition, the stop loss barrier may also be adjusted on any trading day at the discretion of the Calculation Agent, taking the respective current market conditions into account.

#### **Open-End Mini-Futures: Additional adjustments for Futures as the Underlying due to the so-called Roll-Over**

In addition to the adjustments described above, in the case of futures or interest rate futures as the Underlying, the (current) Underlying of the Securities also changes regularly. Since futures always have a certain date of maturity, Securities based on these Underlyings are regularly subject to a so-called **roll-over**, which is carried out on the date specified in the relevant Final Terms (the **roll-over day**). The respective current Underlying is replaced by another Underlying (futures) which has the same or comparable contract specifications with the exception of the expiration date later in the future.

In order to ensure that the economic value of the Securities remains largely unchanged, the current strike and thus the Stop-Loss barrier will be adjusted at the same time. If, in the opinion of the Issuer, no futures exist at this time whose underlying conditions or contract characteristics match those of the respective current Underlying to be replaced, or if there is a case of sharply falling or negative futures as Underlying, the Issuer may also terminate the Securities extraordinarily (furthermore, an ordinary termination is possible at any time).

### **5.5 Constant-Leverage Certificates (SSPA Category 2300)**

"Constant Leverage Certificates" (long) are primarily targeted at investors that expect the value of the Underlying to increase. "Constant Leverage Certificates" (short) are primarily targeted at investors that expect

the value of the Underlying to decrease. "Constant Leverage Certificates" allow investors to make long term-leveraged investments in an Underlying for which the risk and leverage effect are kept constant.

"Constant Leverage Certificates" provide for a leverage effect, meaning the value of such "Constant Leverage Certificates" will react proportionally more strongly to changes in the value of the Underlying. The leverage effect is the result of the fact that the invested capital in such "Constant Leverage Certificates" is smaller than for a direct investment in the Underlying. Therefore, a smaller investment may generate a leveraged performance relative to the Underlying. Unlike other "Leverage Products", the leverage effect of "Constant Leverage Certificates" remains constant. A regular resetting mechanism under which the performance of the Underlying is mirrored with a defined leverage factor (i.e., a constant leverage of i.e. 10), ensures that the leverage effect remains constant.

"Constant Leverage Certificates" thus each refer to a specific Underlying (factor index), which in turn refers to different types of financial instruments (the so-called reference values). The reference value is either a share, a security representing shares (ADRs/GDRs) or other dividend-bearing security, a (different) index, an exchange rate, a future or interest rate future, a precious metal or a commodity. Investors may therefore participate indirectly in the performance of a certain reference value with the Securities via the Underlying (factor index), without having to purchase the respective reference value directly.

By referring to a so-called factor index as the Underlying, Constant Leverage Certificates have in common that they are **particularly high-risk investment instruments** which combine the characteristics of forward transactions with those of Leverage Products. The leverage (factor) contained in the factor index and the associated **leverage effect** on the value of the Underlying is the result of the fact that an investment in the Underlying's underlying reference value only requires a smaller amount of capital than a direct investment in the reference value. These Securities thus open up profit opportunities that may be higher than those of other investments. At the same time, however, these Securities are also associated with **disproportionately high risks of loss, up to and including total loss**.

With Securities whose Underlying is a factor index of the type Long, investors can benefit from rising prices and with Securities whose Underlying is factor index of the type Short, they can benefit from falling prices of the respective reference value. The value of the Securities is therefore derived in a leveraged manner from the reference value of the respective factor index determined as the Underlying.

#### **Redemption upon exercise or ordinary termination by the Issuer**

Constant Leverage Certificates allow the investor to participate in the performance of the Underlying in a leveraged manner, taking a number of parameters described below into account.

Constant Leverage Certificates do not have a fixed term and therefore do not entitle the holder to payment of the redemption amount on a specific date already fixed at the time of issue.

If the security holder is unable or unwilling to sell their Securities on the stock exchange or off-market, they can only obtain redemption from the Issuer if they exercise the rights from the Securities on certain exercise dates and thereby demands payment of a redemption amount. In addition, the redemption amount is paid when the Issuer terminates the Securities. In both cases, the rights arising from the Securities expire upon redemption (i.e., by payment of the redemption amount on the maturity date).

#### **Calculation of the Redemption Amount**

The redemption amount corresponds to the reference price of the Underlying on the Final Fixing Date, taking the subscription ratio into account. The Final Fixing Date is the exercise date selected by the security holder, subject to a postponement (due, among other things, to a market disruption). In the case of ordinary termination by the Issuer, the Final Fixing Date and thus the time of calculation of the ordinary termination amount (which is calculated analogously to the redemption amount) depends on the time and content of the termination.

If the currency of the Underlying differs from the trading currency of the Securities, the redemption amount is converted into the trading currency of the Securities at the relevant exchange rate.

If the calculated redemption amount is not positive, the uncertificated Securities expire worthless, which means a total loss.

## **B. General Terms of the Securities**

The following provisions form the general terms and conditions of the Securities (the "**General Terms of the Securities**") which are, subject to any contrary provisions contained in the applicable Final Terms of a particular Series, applicable to all Securities issued under the Base Prospectus. In the event of any discrepancy or inconsistency between the General Terms of the Securities or any other part of the Base Prospectus and the Final Terms, the Final Terms shall prevail with respect to the relevant Series.

The General Terms of the Securities do not include all of the information that is necessary to understand and take an investment decision with regard to the Securities. Any investment decision by an Investor should be made only on the basis of full information on the relevant Issuer and on the Securities to be offered which is set out in this section and all other sections of the Base Prospectus, any supplement thereto and the relevant Final Terms.

The Final Terms for a specific Series may deviate significantly from the General Terms of the Securities. Each Investor should read and make sure that he, she or it understands the content set forth in the Final Terms before taking any investment decision with respect to the Securities.

## I. Form of the Securities

The Securities are issued in the form of intermediated securities (*Bucheffekten*; "**Intermediated Securities**") pursuant to the Swiss Federal Act on Intermediated Securities, as the same may be amended from time to time (*Bucheffektengesetz*; the "**FISA**"). The Intermediated Securities are created based on global notes (*Globalurkunden*, "**Global Notes**") pursuant to article 973b of the Swiss Federal Code of Obligations, as the same may be amended from time to time ("**CO**"), or uncertificated securities (*Wertrechte*; "**Uncertificated Securities**") pursuant to article 973c CO by (a) depositing the Global Notes with SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland ("**SIX SIS**") or any other a depository (*Verwahrungsstelle*) in accordance with the FISA (including, without limitation, Zürcher Kantonalbank) (each, a "**Main Depository**") or entering the Uncertificated Securities into the main register of a Main Depository, and (b) making a credit entry into one or more securities accounts (*Effektenkonten*). For Intermediated Securities created on the basis of Uncertificated Securities, the uncertificated securities book (*Wertrechtbuch*) for both Issuers is maintained by Zürcher Kantonalbank.

The records of the Main Depository determine the number of Securities held by each participant of the Main Depository. The holders of such Securities will be the persons holding the Intermediated Securities in a securities account (*Effektenkonto*) (that is in their own name) with an intermediary, provided that entities qualifying as intermediaries according to the FISA will only be deemed to be "Holders" if they hold the Securities for their own account in a securities account (*Effektenkonto*) (that is in their own name) with another intermediary. Intermediated Securities are transferred and otherwise disposed of in accordance with the provisions of the FISA and the relevant agreements with the respective Main Depository. Neither the Intermediated Securities nor any rights pertaining thereto may be transferred by way of assignment pursuant to articles 164 *et seq.* CO without the prior written consent of the relevant Issuer.

**Holders shall at no time have the right to effect or demand (a) the conversion of Uncertificated Securities into definitive securities (or vice versa) and/or (b) delivery of definitive securities (including Global Notes). The relevant Issuer may convert Global Notes (constituting the basis for Intermediated Securities) into Uncertificated Securities (constituting the basis for Intermediated Securities) and vice versa at any time and without the consent of the Holders.**

## II. Status of the Securities

Unless otherwise specified in the relevant Final Terms, the obligations under the Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the relevant Issuer which rank *pari passu* with all other present and future unsecured and unsubordinated obligations of such Issuer without any preference among themselves and without any preference one above the other, except for such preferences as are provided by applicable mandatory provisions of law.

## III. Transferability

Unless otherwise specified in the relevant Final Terms, the Securities are freely transferable. However, the Securities may be subject to certain selling restrictions (see section "*Selling Restrictions*") which may *de facto* restrict the transferability of the Securities.

## IV. Security arrangements

### 1. Zürcher Kantonalbank as Issuer

All claims for payment against Zürcher Kantonalbank are protected by the government guarantee (*Staatsgarantie*) of the Canton of Zurich pursuant to § 6 para. 1 of the Law on the Cantonal Bank of Zurich (*Gesetz über die Zürcher Kantonalbank*), the text of which is as follows: "The canton is liable for all liabilities of the bank to the extent that its own funds are not sufficient. The liability of the canton does not cover subordinated liabilities."

The government guarantee of the Canton of Zurich also covers any liabilities of Zürcher Kantonalbank under the Securities. In case of a default of Zürcher Kantonalbank, each Holder suffering a loss would have to enforce its claims directly against the Canton of Zurich.

### 2. Zürcher Kantonalbank Finance (Guernsey) Limited as Issuer

Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited, which is a fully-owned (consolidated) subsidiary of Zürcher Kantonalbank, have entered into a Swiss law governed keep-well agreement (the "**Keep-well Agreement**") which provides an indirect protection in respect of the payment claims of Zürcher Kantonalbank Finance (Guernsey) Limited's investors.

In the Keep-Well Agreement, Zürcher Kantonalbank has agreed to capitalize Zürcher Kantonalbank Finance (Guernsey) Limited so that investor and customer confidence in Zürcher Kantonalbank and its Affiliates is not endangered. Holders should note that this contractual relationship does not qualify as a guarantee for the benefit of third parties. Furthermore, the Keep-well Agreement does not confer to any Holder and will not be enforceable against Zürcher Kantonalbank by anyone other than Zürcher Kantonalbank Finance (Guernsey) Limited (and/or its liquidator or administrator in the event of bankruptcy or, as the case may be, moratorium).

For further information with respect to the Keep-well Agreement (including details relating to the possibility to make amendment or modifications to the Keep-well Agreement), reference is made to section "*Keep-well Agreement between Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited*" which sets out the full text of the Keep-well Agreement.

## V. Currency/-ies of the Securities

Securities may be issued in Swiss francs or any other freely convertible currency. The currency of a particular Series is specified in the relevant Final Terms.

## VI. Further issuances and purchases of Securities

Each Issuer reserves the right from time to time and without the consent of the Holders, to issue or create additional tranches of securities at any time, which shall be identical to the Securities in respect of their terms and conditions (other than the issue price, the Issue Date, the Payment Date, the interest commencement date (if any) and the first interest payment date (if applicable)), in such way that they form a single Series with the Securities. Any such issuance of additional securities will be communicated to the Holders in accordance with section "*Information on the Securities and the Offering—General Terms of the Securities—Notices*" below.

In addition, the relevant Issuer, the Lead Manager and any of their respective Affiliates may from time to time during the term of the Securities purchase Securities at any price in the open market, by tender, private contract or otherwise. Any Security so purchased may, at the option of the relevant Issuer, the Lead Manager or the respective Affiliate, be cancelled, held, resold, or otherwise disposed of. Neither the relevant Issuer and the Lead Manager nor any of their respective Affiliates shall have an obligation to inform the Holders of such repurchases of Securities.

## VII. Clearing and settlement of the Securities

The Securities will be cleared through SIX SIS or any other clearing system specified as clearing system in the applicable Final Terms from time to time (each a "**Clearing System**").

SIX SIS is a wholly owned subsidiary of SIX Group Ltd. and is a bank supervised by the Swiss Financial Market Supervisory Authority.

SIX SIS acts as the central securities depository and settlement institution for the following Swiss securities: equities, government and private sector bonds, money market instruments, exchange traded funds, conventional investment funds, structured products, warrants and other securities. Apart from providing custody and settlement for Swiss securities, SIX SIS acts as global custodian and offers its participants access to custody and settlement in foreign financial markets. SIX SIS offers direct links to other international central securities depositories including Clearstream, Frankfurt, Clearstream, Luxembourg, and Euroclear.

The address of SIX SIS AG is Baslerstrasse 100, 4600 Olten, Switzerland.

## **VIII. Payments and deliveries under the Securities and discharge**

Any and all payments in respect of the Securities shall be made, subject to applicable fiscal and other laws, regulations and directives, to the Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary in accordance with applicable laws and regulations and the rules and regulations of the relevant Clearing System.

The delivery of any asset(s) in respect of the Securities will be affected to the order of the relevant Holder and ultimately be credited to a securities account which forms part of the relevant Clearing System or the relevant intermediary to which the Securities were accounted to. No Holder will be entitled to receive any interest (if any) declared or paid in respect of the asset(s) to be delivered if the date of such payment falls before the date on which the asset(s) is/are credited into the securities account of the relevant Holder. All Delivery Expenses arising from the delivery of such asset(s) shall be for the account of the relevant Holder and no delivery and/or transfer of the asset(s) in respect of a Security shall be made until all Delivery Expenses have been discharged to the satisfaction of the relevant Issuer by the relevant Holder.

The relevant Issuer shall be discharged from any and all of its payment and/or delivery obligations by payment or delivery to, or to the order of, the relevant Clearing System(s) or the relevant intermediary or intermediaries.

## **IX. Calculations**

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

- (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) (subject to (c) below) all figures shall be rounded to the seventh decimal place (with halves being rounded up); and
- (c) all currency amounts that fall due and payable shall be rounded to the nearest Currency Unit (with halves being rounded up), save in the case of a currency amount in Japanese yen, which shall be rounded down to the nearest Japanese yen.

## **X. Currency exchange rates**

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

## **XI. Business Day Convention**

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

- (a) if the Business Day Convention specified in the relevant Final Terms is "Following", such date shall be postponed to the next following calendar day which is a Business Day;
- (b) if the Business Day Convention specified in the relevant Final Terms is "Modified Following", such date shall be postponed to the next following calendar day which is a Business Day unless that

- calendar day falls in the next calendar month, in which case such date will be the first preceding calendar day that is a Business Day; and
- (c) if the Business Day Convention specified in the relevant Final Terms is "Preceding", such date will be the first preceding calendar day which is a Business Day.

If the Final Terms do not make any reference to the applicable Business Day Convention, the Business Day Convention referred to in paragraph (b) above shall apply.

## **XII. Listing and trading of the Securities**

The relevant Issuer may decide to apply for listing and/or admission to trading on the SIX or the BX.

The relevant Final Terms will state whether or not the relevant Securities will be listed and/or admitted to trading. However, neither the relevant Issuer nor any Agent represents or assures that the envisaged listing or admission to trading (if any) will be successful and/or that such listing or admission to trading can be maintained during the whole term of the Securities.

Securities which are listed on the SIX may be traded during the trading times of SIX up to the last Trading Day which is specified in the relevant Final Terms. The last Trading Day may be before the maturity date. In case of a listing at SIX, Zürcher Kantonalbank, as recognized representative pursuant to article 58a of the Listing Rules, represents Zürcher Kantonalbank Finance (Guernsey) Limited vis-à-vis the SIX.

There are no binding commitments from intermediaries in respect of secondary trading. Zürcher Kantonalbank intends, under customary market terms, to regularly provide bid and/or ask prices for the Securities, but it assumes no legal obligation to do so to the extent not otherwise specified in the Final Terms.

## **XIII. Offering of the Securities**

### **1. Subscription**

Securities can, as specified in the relevant Final Terms of the Securities, be subscribed for during the subscription period during normal banking business hours at the relevant Issuer or any branch of Zürcher Kantonalbank. Any minimum or maximum amounts for the subscription will be specified in the relevant Final Terms.

The relevant Issuer reserves the right, in its sole discretion, to shorten, lengthen or cancel the subscription period. In addition, such Issuer is not obliged to accept subscriptions and can withdraw any Securities that have already been placed.

### **2. Allocation**

During the subscription period, all subscriptions will be received without any special subscription procedure until the maximum issue size is reached. After the maximum issue size is reached, the relevant Issuer is not obliged to accept further subscriptions and the subscription period may be closed without further notice. The relevant Issuer will decide, in its sole discretion, whether an allocation will be made. In case of an oversubscription the relevant Issuer will allot the Securities based on objective criteria.

### **3. Determination of the Issue Price**

The issue price of a Securities will be determined by the Calculation Agent on the Initial Fixing Date on the basis of the then prevailing market situation and the price or level of the Underlying, consistent with the terms published in the relevant Final Terms. Any issue prices specified in the "Indicative" Final Terms relating to the Securities are not legally binding on the Issuer.

The determination of the issue price is made on the basis of the fair value of the components of the Securities in accordance with financial mathematical methods. The issue price can include a surcharge that is not apparent to the Investor, the amount of which is determined in the discretion of the relevant Issuer and that over time reduces the market price of the Securities. Margins and fees can be included in the calculation of the issue price, which in part may be paid as distribution fees.

#### 4. Price quotations

In the case of Securities with interest components, it will be specified in the relevant Final Terms whether the price of the Securities is stated with accrued interest ("dirty price") or if accrued interest is stated separately ("clean price").

#### XIV. Rating of the Securities

Securities issued under the Base Prospectus may be rated or unrated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The applicable Final Terms may state whether the Securities are rated or not and, if rated, specify the rating.

#### XV. Taxes

##### 1. In general

Each Holder is responsible for any and all Taxes which are or could be imposed on or levied against it in any jurisdiction or by any governmental or regulatory authority. Neither the relevant Issuer nor any other Agent is obliged to gross up any payments in respect of the Securities and each of the Issuer and any applicable Agent shall have the right, but not the obligation, to withhold or deduct from any amounts payable to the Holders such amount as is necessary for the payment of any such Taxes. In case any governmental or regulatory authority imposes on the Issuer the obligation to pay any such Taxes, the Holder shall promptly reimburse the Issuer.

Holders should inform themselves with regard to any tax consequences particular to their circumstances arising in any relevant jurisdiction (including any jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership, redemption or disposal by them of any Securities).

##### 2. Foreign Account Tax Compliance Act, Common Reporting Standard and Section 871(m) of the US Tax Code

Each Holder will (a) provide the relevant Issuer and its respective Agents with any correct, complete and accurate information and any consent to information reporting that may be required to comply with any obligations under FATCA and the CRS and will take any other actions that the Issuer or its respective Agents deem necessary to comply with FATCA and the CRS and (b) update any such information and consent provided in clause (a) promptly upon learning that any such information or consent previously provided has become obsolete or incorrect or an update is otherwise required (a "Change in Circumstances"), in any case no later than thirty (30) days following the occurrence of a Change in Circumstances. In the event the Holder fails to provide such information or consent, take such actions or upon a Change in Circumstances update such information or consent, (i) the relevant Issuer is authorized to withhold amounts otherwise distributable to the Holder if required to do so, and/or as compensation for any cost, loss or liability suffered as a result of such failure and (ii) the relevant Issuer will have the right to compel the Holder to sell its Securities or, if such Holder does not sell its Securities within 10 Business Days after notice from the Issuer, to sell such Securities and to remit the net proceeds of such sale (taking into account any taxes incurred in connection with such sale) to the Holder as payment in full for such Securities. Each such Holder agrees, or by acquiring a Security or an interest in a Security, will be deemed to agree, that the Issuer may provide such information and any other information regarding its investment in the Securities to the IRS or other relevant governmental authority as required under FATCA and under the CRS as implemented in any applicable jurisdictions.

Notwithstanding any other provision in the relevant Final Terms and this Base Prospectus, the Issuer shall be permitted to withhold or deduct from payments in connection with the Securities any amounts required by the rules of U.S. Internal Revenue Code Sections 871(m) ("**871(m)**") and 1471 through 1474 ("**FATCA**") (or any amended or successor provisions), and pursuant to any inter-governmental agreement, or implementing legislation or regulations or other guidance adopted by any jurisdiction in connection with FATCA or 871(m), or pursuant to any agreement of the Issuer or an intermediary with the U.S. Internal Revenue Service in connection with FATCA or 871(m). None of the Issuer, any Paying Agent or any other person will have an obligation to pay additional amounts to, or otherwise indemnify, a Holder that receives reduced amounts on a Security due to any 871(m) or FATCA withholding or deduction.

If 871(m) or FATCA withholding is required on payments on the Securities and this results, or would result, in the Issuer receiving less than it otherwise would have received, the provisions of section "*Information on the Securities and the Offering–General terms of the Securities–Early termination*" may apply and the Issuer may redeem the Securities as more fully set out in section "*Information on the Securities and the Offering–General terms of the Securities–Early termination*".

Each Holder will provide any further documentation necessary, including without limitation withholding certificates, withholding statements and documentary evidence, requested to establish the tax status and classification of the Holder for U.S. tax purposes.

## **XVI. Extraordinary Events**

### **1. Settlement Disruption Events**

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

Notwithstanding the above,

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

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

### **2. FX Disruption Events**

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

Notwithstanding any provisions to the contrary, (i) any payments made in accordance with this section shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the relevant Issuer

or any Agent in connection with or arising from the resolution of the relevant FX Disruption Event and (ii) in any case an FX Disruption Event leads to a postponement of a scheduled payment date or any delivery under the Securities, the relevant Issuer shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer. All determinations made by the relevant Issuer or the Paying Agent pursuant to this section shall be conclusive and binding on the Holders and the Issuer. The Holders will not be entitled to any compensation from the Issuer or any Agent or any of their respective Affiliates for any losses suffered as a result of the occurrence of a FX Disruption Event.

### 3. Illiquidity Events

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

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

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

## XVII. Term of Securities; capital protection

### 1. Term of Securities

The Securities can either be structured as securities with a fixed duration, being redeemed on the Redemption Date ("**Fixed-end Securities**") or as securities without any fixed maturity date ("**Open-end Securities**"). Fixed-end Securities are, unless otherwise specified in the relevant Final Terms, automatically redeemed on the Redemption Date. The relevant Final Terms may provide for a Put Option of the Holders or a call option of the relevant Issuer which allows each of them to early redeem the relevant Securities. Open-end Securities have no fixed maturity but the relevant Issuer has the right to call and each Holder has the right to put the Securities at the dates and in accordance with the procedures set out in the relevant Final Terms. The applicable Final Terms of the Securities may also provide that the Securities are redeemed immediately upon the occurrence of certain events, such the occurrence of a barrier event. In any case, an early termination of the Securities as per section "*Information on the Securities and the Offering—General Terms of the Securities—Early termination*" remains reserved.

### 2. Capital Protection

It will be specified in the relevant Final Terms whether the Securities have the benefit of a capital protection. To the extent the relevant Securities are capital protected, they will be redeemed at an amount which is equal to the percentage of the nominal amount specified in the relevant Final Terms. No capital protection will be

provided for Securities that are redeemed prior to their maturity date (if any) or in the case of a redemption following the occurrence of an early termination event as specified in section "*Information on the Securities and the Offering–General Terms of the Securities–Early termination*". Even if the Securities are capital protected, each Holder is advised to take into account the creditworthiness and, ultimately, the insolvency and credit risk related to the relevant Issuer. If the insolvency or credit risk related to the relevant Issuer materializes, the Holders may sustain a partial or total loss of the amount of their initial investment in the Securities notwithstanding any capital protection.

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

### **1. In general**

Subject to section "*Information on the Securities and the Offering–General Terms of the Securities–Extraordinary Events*" and section "*Information on the Securities and the Offering–General Terms of the Securities–Early termination*" and unless otherwise specified in the relevant Final Terms, each Security shall be redeemed by the relevant Issuer on the Redemption Date at the Redemption Amount (if any) specified in the relevant Final Terms. The Redemption Amount shall be calculated by the Calculation Agent in accordance with the relevant Final Terms and shall be notified to the relevant Clearing System(s). If the relevant Final Terms provide for an option of the relevant Issuer of either Cash Settlement or Physical Settlement, its choice shall be notified to the Holders on the date and in a manner as set out in the relevant Final Terms.

### **2. Redemption procedure**

#### **(a) Cash Settlement**

Subject to section "*Information on the Securities and the Offering–General Terms of the Securities–Extraordinary Events*" and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms provide for a Cash Settlement, the relevant Issuer or the Paying Agent shall, on the Payment Date, pay or cause the payment of the Redemption Amount in respect of each Security to the respective Holders for value on the relevant payment date, less any Expenses which the Issuer is required or authorized by law or according to the relevant Final Terms to deduct or withhold.

#### **(b) Physical Settlement**

Subject to section "*Information on the Securities and the Offering–General Terms of the Securities–Extraordinary Events*" and unless otherwise specified in the relevant Final Terms, if the relevant Final Terms provide for a physical settlement, the relevant Issuer or the Paying Agent shall, on the delivery date specified in the relevant Final Terms, deliver or cause the delivery of the relevant Underlying, Basket Component or other underlying constituents or components of the Securities to be delivered in accordance with the relevant Final Terms to the respective Holders for value on the relevant delivery date. No delivery and/or transfer of the relevant Underlying, Basket Component or other underlying constituents or components of the Securities to be delivered shall be made until all Delivery Expenses arising from the respective delivery and/or transfer have been paid to the satisfaction of the Issuer by the relevant Holder. To facilitate its delivery obligations, the Issuer shall have the right, but no obligation, to divide any Underlying, Basket Component or other underlying constituents or components of the Securities into such number of lots of such size as it deems appropriate.

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

If the delivery of an Underlying, Basket Component or other underlying constituent or component of the Securities is not reasonably possible on the relevant delivery date, the relevant Issuer has the right to pay a cash amount corresponding to the value of the Underlying on the relevant delivery date, such cash amount to be determined by the Issuer or the Calculation Agent in its sole and absolute discretion.

### (c) Expenses

The relevant Issuer is authorized to deduct from the Redemption Amount:

- (i) all Expenses, if any, payable by the Issuer or its Affiliates in connection with the redemption of the Securities,
- (ii) any and all Expenses in relation to any transfer of the Underlying, Basket Component or other underlying constituents or components of the Securities made as a result of such redemption,
- (iii) if the relevant Final Terms specify exercise rights, all Expenses arising in connection with the exercise of the Securities in the place in which the relevant exercise notice is delivered for exercise and
- (iv) if the relevant Final Terms specify exercise rights, all Expenses involved in delivering the relevant exercise notice that are payable by the Issuer or its Affiliates.

## XIX. Early termination

If an Early Redemption Event occurs, then the relevant Issuer has the right, but not the obligation, to redeem each Security by giving notice to the Holders.

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

The Issuer shall also have the right of early termination with respect to Securities for which there are no (more) holdings outstanding vis-à-vis investors.

## XX. Determinations binding

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

## XXI. Liability of the Issuers and the Agents

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

## XXII. Agents

### 1. In general

The Calculation Agent, the Paying Agent and the Exercise Agent (if any) and their respective offices (which can be substituted with other offices) are one of the following, as specified in the relevant Final Terms:

Calculation Agent	Paying Agent	Exercise Agent
Zürcher Kantonalbank Bahnhofstrasse 9 8001 Zurich Switzerland	Zürcher Kantonalbank Bahnhofstrasse 9 8001 Zurich Switzerland	Zürcher Kantonalbank Bahnhofstrasse 9 8001 Zurich Switzerland

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

Any Agent may, with the consent of the relevant Issuer, delegate any of its obligations under the Securities to a third party.

### 2. Replacement and termination of appointment

The relevant Issuer may at any time appoint a different Calculation Agent, Paying Agent or Exercise Agent than the one specified above, replace any Agent and/or the Lead Manager or terminate the appointment of any Agent and/or the Lead Manager and appoint additional and/or other Agents who may be persons not affiliated with the Issuer.

## XXIII. Changes with regard to the Issuers

### 1. Change of Issuer's office

The relevant Issuer may at any time change the office or branch through which it is acting for the purposes of the Securities. As of the effective date of such change, any reference in the Base Prospectus and the relevant Final Terms to the Issuer shall be construed as Zürcher Kantonalbank or Zürcher Kantonalbank Finance (Guernsey) Limited, as applicable, acting through such office or branch.

### 2. Substitution of the Issuer

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

- (i) the Substitute Issuer assumes all obligations that the relevant Issuer owes to the Holders under or in relation to the Securities as set forth in the Base Prospectus and the relevant Final Terms;
- (ii) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Securities represent legal, valid and binding obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect; and
- (ii) Zürcher Kantonalbank has entered into a keep-well agreement with the Substitute Issuer (unless this is Zürcher Kantonalbank itself) with terms equivalent to those of the keep-well agreement between Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited.

As of the fulfilment of the conditions set forth above, the Substitute Issuer assumes in every respect the role of the relevant Issuer and the latter shall be released from any and all obligations in relation to the Holders.

Any reference in the Base Prospectus and any relevant Final Terms to the previous Issuer shall be construed as a reference to the Substitute Issuer and the Base Prospectus and the relevant Final Terms shall thereupon be deemed to be amended to give effect to the substitution.

Any substitution shall as soon as reasonably possible be notified to the Holders and to any other person or authority as required by applicable laws or regulations.

### 3. No liability

In connection with any exercise by the relevant Issuer of its rights provided for above, the Issuer shall not be responsible or liable for any consequences (irrespective of their nature) suffered by any Holder as a result of the exercise by the Issuer of any such rights. Accordingly, no Holder shall be entitled to assert any legal claims or indemnity claims against the Issuer based on or in connection with the exercise of such rights.

## XXIV. Issuer Event of Default

If an Issuer Event of Default occurs, any Holder may by written notice to the relevant Issuer declare the Securities held by it to be forthwith due and payable, whereupon the Early Redemption Amount of such Securities shall become due and payable on the fifth Business Day after the receipt of such notice by the Issuer, unless the relevant Issuer Event of Default has been remedied prior to such receipt.

## XXV. Default interest

If the relevant Issuer for any reason (other than due to the occurrence of any of the events set out in section "Information on the Securities and the Offering—General Terms of the Securities—Extraordinary Events" fails to render any payment in respect of the Securities when due, interest shall accrue at the default rate of 2.00 per cent. per annum on the due amount from and including the due date to but excluding the day on which such payment is made by the relevant Issuer or the Paying Agent, it being understood that such payment or delivery is deemed to have been made at that time it is made to, or to the order of, the relevant Clearing System(s) or the relevant intermediary or intermediaries. In no event shall the Issuer have any liability for indirect, incidental, consequential or other damages other than default interest.

## XXVI. Statute of limitation

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

## XXVII. Notices

### 1. Notices to the Issuer

Unless otherwise specified in the relevant Final Terms or in the Base Prospectus, notice may be given to the relevant Issuer by delivering such notice in writing to the following address (as applicable):

**Zürcher Kantonalbank**  
LOAA  
P.O. Box  
8001 Zurich  
Switzerland  
Tel.: +41 44 292 76 03  
Fax: +41 44 292 86 64

**Zürcher Kantonalbank Finance (Guernsey)  
Limited**  
Bordage House, Le Bordage  
St. Peter Port  
Guernsey GY1 1BU  
Tel.: +44 1481 705288

**always with a copy to Zürcher  
Kantonalbank**

## 2. Notices to the Holders

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

Notices to Holders relating to Zürcher Kantonalbank and/or Zürcher Kantonalbank Finance (Guernsey) Limited will be published under <https://www.zkb.ch/finanzinformationen> (or any succeeding internet website).

## XXVIII. Severability and amendments

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

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

- (a) is of a formal, minor or technical nature;
- (b) is made to correct or supplement any defective provision in the relevant Final Terms or the Base Prospectus;
- (c) is made to cure any uncertainty or ambiguity;
- (d) is made to cure a manifest or proven error;
- (e) is made to correct an error or omission which would, in the absence of such correction, result in relevant Final Terms or the Base Prospectus not representing the intended terms of the Securities on which the Securities were sold and have since traded; or
- (f) will not materially and adversely affect the interests of the Holders.

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

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

## XXIX. Governing law and jurisdiction

The Securities are governed by Swiss law.

The exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Securities shall be the competent courts of the City of Zurich, Switzerland, venue being Zurich 1.

Zürcher Kantonalbank Finance (Guernsey) Limited chooses for this purpose a legal and special domicile in Switzerland at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich.

## C. Additional terms with respect to specific categories of securities

### I. Additional terms for warrants

The following additional terms and conditions apply for Securities which fall into the category "Warrant".

#### 1. Term

Warrants are issued with a fixed term or without a fixed term ("open end"). In addition to the maturity date of the Warrants, if any, the maturity date may occur at any time (even on or immediately after the Issue Date) and is set by (i) a termination by the Issuer, (ii) the occurrence of a Knock-Out Event or (iii) an exercise notice by the holder of the Warrant.

##### (a) Termination by the Issuer

The relevant Issuer is entitled to terminate the Warrants at any time without giving reasons. The termination shall take effect at the time of publication of the notice in accordance with section "*Information on the Securities and the Offering-General terms of the Securities-Notices*".

##### (b) Knock-Out-Event

A Knock-Out Event occurs when a certain price of the Underlying touches or breaches a certain price threshold (the so-called (current) Knock-Out Barrier) at a certain time (the observation time). Touching or crossing the barrier once is sufficient to trigger a Knock-Out Event. The Securities are automatically exercised and immediately expire worthless.

##### (c) Exercise notice of the holder

If a holder of a Warrant wishes to exercise its option right during the exercise period, the relevant holder must proceed as set out in the section entitled "Methods of exercise" below.

#### 2. Types of warrants

In case of warrants which are defined in the relevant Final Terms as "American Style" warrants, Holders may exercise their option right on any Business Day during the option period until, at the latest, the maturity date.

In the case of warrants which are defined in the relevant Final Terms as "European Style" warrants, Holders may only exercise their option right on the maturity date.

#### 3. Warrants with Cash Settlement

Warrants with Cash Settlement grant the Holder the right to receive a Cash Settlement Amount if on the Exercise Date (a) in the case of call warrants, the difference between the closing price of the Underlying on the maturity date or the Exercise Date and the Exercise Price and (b) in the case of put warrants, the difference between the Exercise Price and the closing price of the Underlying on the maturity date or the Exercise Date is a positive amount.

Unless otherwise specified in the relevant Final Terms, warrants on indexes, Exchange Rates, precious metals, Commodities and interest rates entitle the investor to demand the payment of a Cash Settlement Amount.

#### 4. Warrants with Physical Settlement

Warrants with Physical Settlement grant the Holder the right, but not the obligation, to buy (call warrant) or to sell (put warrant) a specified number of an Underlying at a price specified in advance (exercise price) up to a date specified in advance (expiration date).

Unless otherwise specified in the relevant Final Terms, warrants on Shares entitle the investor to demand the physical delivery of the Shares.

## 5. Methods of exercise

### (a) Option period

The option period is specified in the relevant Final Terms and specifies the period in which the option must be exercised.

In the case of warrants on equity securities, the relevant Issuer is entitled, if on a Business Day more than 100,000 warrants are exercised by a Holder or a group of Holders acting in concert, to postpone the exercise date to the next following Business Day for all warrants exceeding this number.

### (b) Automatic exercise and notice of exercise

Unless otherwise specified in the relevant Final Terms, all warrants with Cash Settlement are deemed automatically exercised on the expiration date, if (a) in the case of call warrants, the difference between the closing price of the Underlying on the expiration date and the Exercise Price and (b) in the case of put warrants, the difference between the Exercise Price and the closing price of the Underlying is a positive amount. Otherwise, the warrants expire worthless.

If a Holder of a warrant with Cash Settlement which is defined in the relevant Final Terms as "American Style" warrant wants to exercise its option right during the option period, but before the expiration date, the relevant Holder must deliver an exercise notice to the Exercise Agent with a copy to the relevant Issuer. The exercise notice (which cannot be withdrawn) must be received by the Exercise Agent not later than 12:00 a.m. (noon) Zurich time or a different time specified in the relevant Final Terms in order for the warrant to be deemed exercised on the relevant date. An exercise notice received later are deemed delivered on the next following Business Day.

Unless otherwise specified in the relevant Final Terms, the delivery of an exercise notice to the Exercise Agent with a copy to the relevant Issuer is necessary for the exercise of warrants with physical delivery. The written notice of exercise (which cannot be withdrawn) must be received by the Exercise Agent not later than 12:00 Zurich time or a different time specified in the relevant Final Terms in order for the warrant to be deemed exercised on the relevant date. Any exercise notices received later are deemed exercised on the next following Business Day.

Accordingly, warrants with Physical Settlement, or other warrants for which an automatic exercise has not been specified in accordance with the relevant Final Terms, expire worthless if the exercise notice is not received by the Exercise Agent until 12:00 a.m. (noon) Zurich time on the expiration date (or a different time specified in the relevant Final Terms).

## 6. Effect of exercise

In the case of warrants with Cash Settlement, the Cash Settlement Amount will be paid, in the case of warrants on indexes, Exchange Rates, precious metals and Commodities, on the fourth Business Day after the Exercise Date.

In the case of warrants with Physical Settlement, the delivery of the number of Underlyings specified in the relevant Final Terms will be made on the third Business Day after the Exercise Date against payment of the Exercise Price.

## 7. Application for registration in case of the physical delivery of registered Shares

In the case of registered Shares which are delivered following the exercise of call warrants, it is the responsibility of the acquirer to submit an application for registration in the share register (or similar register) of the relevant company. The validity of the exercise of the warrant is not affected by a refusal of the company to confirm the status of a shareholder with voting rights.

## II. Additional terms for Mini Futures

The following additional terms and conditions apply for Securities which fall into the category "Mini Future".

## 1. Term

Mini-Futures are issued with a fixed term or without a fixed term ("open end"). In addition to the maturity date of the Mini-Futures, if any, the maturity date may occur at any time (even on or immediately after the Issue Date) and is set by (i) a termination by the relevant Issuer, (ii) the occurrence of a stop-loss event or (iii) an exercise notice from the Holder of the Mini-Futures.

### (a) Termination by the Issuer

The relevant Issuer is entitled at all times, without giving any reasons, to terminate the Mini-Futures. The termination becomes effective at the time of the publication of the notice in accordance with section "*Information on the Securities and the Offering–General Terms of the Securities–Notices*".

### (b) Stop-loss event

A stop-loss event occurs if the market price of an Underlying during the trading hours of the Underlying reaches the stop-loss level specified in the relevant Final Terms or exceeds it (in the case of short Mini-Futures) or falls below it (in the case of long Mini-Futures).

### (c) Exercise notice of the Holder

If a Holder of a Mini-Future wants to exercise its option right during the term, the relevant Holder must deliver an exercise notice to the Exercise Agent. The exercise notice (which cannot be withdrawn) must be received by the Exercise Agent not later than 11:00 a.m. Zurich time or a different time specified in the relevant Final Terms in order for the Mini-Futures to be deemed exercised on the relevant date. An exercise notice received later is deemed delivered on the next following Business Day. After the delivery of an effective exercise notice, a transfer or assignment of Mini-Futures is not permitted.

If a stop-loss event occurs on the date on which the exercise notice becomes effective, the exercise notice takes precedence.

## 2. Effect of termination, exercise notice and automatic exercise

If Mini-Futures become due for redemption as a result of a termination, the occurrence of a stop-loss event or an exercise notice from the Holder of the Mini-Futures, a Cash Settlement will be made in accordance with the specific provisions set forth in the relevant Final Terms.

Unless otherwise specified in the relevant Final Terms, the Cash Settlement Amount will be paid on the fifth Business Day after the termination, the occurrence of the stop-loss event or the effectiveness of the exercise notice from the Holder of the Mini-Futures.

## D. Additional Terms with respect to Securities linked to Shares

The following additional terms apply to all Securities issued under the Base Prospectus with a Share or Shares as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

### I. Adjustments

#### 1. In general

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

All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this section shall be conclusive and binding on the Holders. Furthermore, the relevant Final Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Securities and/or a modification of the Terms and Conditions of the Securities. The Holders will not be entitled

to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

## 2. Potential Adjustment Events

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

- (a) determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value or the market value of the relevant Share(s); and, if this is the case,
- (b) make such adjustment (in each case if applicable) to (i) the calculation of the Redemption Amount, the Value of the Strategy and/or the Value of the Certificate, (ii) the number of Underlyings or Basket Components (including, without limitation, any replacement of one or more Basket Components by components which are currently not included in the relevant Basket), (iii) the weighting of the Basket Components, (iv) the amount, number of or type of Shares or other securities which may be delivered in respect of such Securities and/or (v) any other parameter relevant for the exercise, valuation, redemption, settlement or payment terms or any other terms of the relevant Securities as it deems appropriate in order to (1) account for the dilutive or concentrative effect of the respective Potential Adjustment Event or (2) preserve the economic equivalent of the rights of the Holders immediately prior to the occurrence of such Potential Adjustment Event.

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

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

Any adjustment made pursuant to this section shall be effective as of the date determined by the relevant Issuer and/or the Calculation Agent in its reasonable discretion.

## 3. Extraordinary Events

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

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

appropriate to preserve the economic equivalent of the rights of the Holders immediately prior to the occurrence of such Extraordinary Event.

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

#### 4. Delisting Event

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

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

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

#### 5. Correction of Share prices

In the event that a Share price determined and published by a stock exchange which is relevant for the Securities is subsequently corrected and the correction is published by the stock exchange after the original publication, the Issuer and/or the Calculation Agent shall be entitled to make adjustments to the terms and conditions of the Securities taking into account the corrected price in order to reflect the correction.

#### 6. Further adjustments

The above sections shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the relevant Issuer and/or the Calculation Agent, has a comparable effect as the events described in these sections.

#### 7. Notices of adjustment

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

## II. Market Disruption Events

If the relevant Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Securities, then (a) such day shall be postponed to the first Underlying Business Day following the day on which the Market Disruption Event

ceases to continue and (b) the relevant Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the day for such fixing, observation or valuation provided for in (a) above). In the case of such postponement, any payment(s) or delivery/-ies under the Securities dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The relevant Issuer shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the relevant Issuer.

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

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

### III. Definitions

For the purposes of this section D:

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

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

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

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

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

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

**"Insolvency Event"** means, with respect to any Shares, that by reason of a voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting the person issuing the relevant Shares (i) all of the Shares are required to be transferred to a trustee, liquidator or similar official or (ii) the shareholders become legally prohibited from transferring the Shares.

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

- (a) any suspension or material disruption of or material limitation imposed on trading in such Share by the Related Exchange or otherwise;
- (b) any suspension or material disruption of or material limitation imposed on trading of options or futures referencing such Share on any exchange on which option or futures contracts referencing such Share are traded;
- (c) failure by the respective Related Exchange or other price source, as applicable, to announce or publish the final closing in respect of such Share (including, without limitation, due to an ordinary or extraordinary exchange holiday); and
- (d) any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for such Share or option or futures contracts referencing such Share,

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

**"Nationalization"** means, in respect to any Shares, that all of the Shares or all or substantially all of the assets of the person issuing the relevant Shares are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

**"Potential Adjustment Event"** means, in respect of any Share which is the Underlying of the Securities or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying of the Securities, any event that may have a diluting or concentrative effect on the theoretical value or market value of the relevant Share(s) and includes, without limitation, the declaration of the relevant person issuing the respective Share(s) to:

- (a) split, subdivide, consolidate or reclassify the Share(s) (other than a subdivision, consolidation or reclassification which qualifies as an Extraordinary Event pursuant to section D.I.3 (Extraordinary Events));
- (b) distribute to existing equity holders (a) additional Shares (either for free or against consideration) or (b) other financial instruments granting the right to payment of dividends and/or liquidation proceeds in respect of the relevant person equally or proportionally with such payments to equity holders or (c) any other type of financial instruments, rights or other assets, in any case for payment at less than the prevailing market price as determined by the Calculation Agent; or
- (c) distribute to existing equity holders an extraordinary dividend.

**"Successor Basket Component"** has the meaning ascribed to it in section D.I.4 (*Delisting Event*).

**"Takeover Event"** means that, in relation to any Shares, the Calculation Agent has reasonably determined that a person or several persons acting in concert has or have acquired (whether through a single transaction or a series of transactions) Shares amounting to a total of 50 per cent. or more of (a) the aggregate nominal value of all issued Shares then outstanding less (b) the aggregate nominal value of any Shares held by such person or persons as of the Payment Date.

## **E. Additional Terms with respect to Securities linked to non-equity securities**

The following additional terms apply to all Securities issued under the Base Prospectus with a non-equity security or securities as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

## I. Adjustments

### 1. In general

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

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

### 2. Changes in the market conditions on the reference market

If, in the determination of the Issuer and/or Calculation Agent, a material change in the market conditions has occurred on the reference market for the relevant non-equity security, the Issuer and/or Calculation Agent shall be entitled to effect adjustments to the Terms and Conditions of the Securities to account for these changed market conditions.

### 3. Changes in the calculation of the non-equity security

Any changes in the calculation (including corrections) of the non-equity security shall not lead to an adjustment unless the Issuer and/or Calculation Agent determine that as a result of the changes (including corrections) the underlying concept and/or the calculation of the non-equity security are no longer comparable to the underlying concept and/or calculation of the non-equity security applicable prior to such change. Adjustments may also be made as a result of the removal of the non-equity security and/or its substitution by another underlying or the Delisting of the non-equity security.

For the purpose of this section, "**Delisting**" means that the reference market for the relevant non-equity security announces that pursuant to the rules of such reference market, the non-equity security ceases (or will cease) to be listed, traded or publicly quoted on the reference market for any reason and is not immediately relisted, re-traded or re-quoted on a market or quotation system located in the same country as the reference market.

For the purpose of making any adjustments, the Issuer and/or Calculation Agent shall determine an adjusted value of the non-equity security which shall be used for the determination of the relevant price of the non-equity security for the Securities and which in its economic result shall correspond to the provisions prior to this change, and shall determine the day on which the adjusted value of the non-equity security shall apply for the first time taking into account the time the change occurred.

### 4. Termination, Early Redemption and other events relating to the terms and conditions of the non-equity security

In the event that the non-equity security is terminated and/or redeemed early or replaced by another non-equity security, provided that such circumstance does not occur in connection with any insolvency or general settlement proceedings or other similar proceedings of the issuer of the non-equity security, or in the event of changes to the terms and conditions of the non-equity security, the non-equity security may be replaced for the purposes of the Terms and Conditions of the Securities by another financial instrument, if necessary

after making the appropriate adjustments pursuant to the above sections (the "**Successor Instrument**"). In this case any reference in the Terms and Conditions of the Securities to the non-equity security shall, to the extent permitted by the context, be deemed to refer to the Successor Instrument.

#### 5. Replacement of the reference market

If the quotation of or trading in the non-equity security on the reference market for such instrument is permanently discontinued while concurrently a quotation or trading is started up or maintained on another market, the Issuer and/or Calculation Agent shall be entitled to stipulate such other market as relevant reference market (the "**Substitute Reference Market**"). In the case of such a substitution, any reference in the Terms and Conditions of the Securities to the reference market thereafter shall be deemed to refer to the Substitute Reference Market.

#### 6. Correction of a relevant price

In the event that a price for the non-equity security determined and published by the reference market for such instrument which is relevant for the Securities is subsequently corrected and the correction (the "**Corrected Price**") is published by the reference market after the original publication, the Issuer and/or Calculation Agent shall be entitled to effect adjustments to the Terms and Conditions of the Securities taking into account the Corrected Price, to account for the correction.

#### 7. Further adjustments

The above sections shall apply *mutatis mutandis* to any other events which, in the reasonable opinion of the relevant Issuer and/or the Calculation Agent, have a comparable effect as the events described in these sections.

#### 8. Notices of adjustment

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

### II. Market Disruption Events

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

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

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

### III. Definitions

For the purposes of this section E:

"**Business Day**" means, in respect of the non-equity security, any Scheduled Trading Day on which the reference market is open for trading during its regular trading sessions, notwithstanding any such reference market closing prior to its Scheduled Closing Time.

"**Early Closure of the Reference Market**" means, in respect of the non-equity security, the closure on any Business Day of the reference market for such instrument prior to its Scheduled Closing Time unless such earlier closing time is announced by such reference market at least one hour prior to the actual closing time for the regular trading session on the reference market on such Business Day.

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

- (a) the suspension or absence of the announcement of a price of the non-equity security relevant for the Securities on the reference market for such instrument;
- (b) the suspension or limitation of trading with respect to the non-equity security or any futures or options contracts relating to the non-equity security which the Issuer and/or the Calculation Agent determine to be material;
- (c) the Early Closure of the Reference Market;
- (d) the occurrence at any time of an event that disrupts or impairs (as determined by the Issuer and/or the Calculation Agent) the ability of market participants in general (i) to obtain market values for the non-equity security, or (ii) to sell or transfer the non-equity security or to exercise the rights conveyed by the non-equity security, or (iii) to effect transactions in, or obtain market values for, futures or options contracts relating to the non-equity security on a futures exchange where such contracts are usually traded;
- (e) any event other than such listed above which in its consequences is commercially comparable to those events;
- (f) the suspension or limitation of banking activities in the in the country where the reference market for the relevant non-equity security is located of which the Issuer and/or Calculation Agent determine material.

"**Scheduled Closing Time**" means, in respect of the non-equity security and in respect of a reference market for such instrument and a Scheduled Trading Day, the scheduled weekday closing time of such reference market on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"**Scheduled Trading Day**" means, in respect of the non-equity security, any day on which the reference market for such instrument is scheduled to open for trading during its regular trading sessions.

### F. Additional Terms with respect to Securities linked to interest rates or reference rates

The following additional terms apply to all Securities issued under the Base Prospectus with interest rates or reference rates as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

#### I. Adjustments

##### 1. In general

The relevant Issuer has the right to adjust the parameters of the Securities and/or to modify the Terms and Conditions of the Securities upon the occurrence of certain events or incidents, some of which are listed in

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

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

## **2. Determination of the interest rate or reference rate**

The interest rate or reference rate serving as Underlying, Basket Component or other underlying component or constituent of the Securities will be determined by the relevant Issuer and/or the Calculation Agent for the purpose of any fixing, observation or valuation of the Underlying, Basket Component or other underlying component or constituent of the Securities on the following basis:

- (a) the Issuer or the Calculation Agent will, in its discretion, determine the respective interest rate or reference rate which appears on the Screen Page as of the Relevant Time on the respective fixing, observation or valuation date with respect to the Underlying, Basket Component or other underlying component or constituent of the Securities;
- (b) if on a fixing, observation or valuation date with respect to the Underlying, Basket Component or other underlying component or constituent of the Securities, the relevant interest rate or reference rate does not appear on the relevant Screen Page or the relevant Screen Page is unavailable, the Issuer or the Calculation Agent will (i) request four (or such other number as the Issuer or the Calculation Agent may determine having regard to market conventions) Reference Banks to provide a quotation for the relevant interest rate or reference rate at approximately the Relevant Time on the applicable fixing, observation or valuation date in an amount that is representative for a single transaction in that market at that time, and (ii) determine the arithmetic mean of such quotations (rounded upward or downwards in accordance with applicable market conventions), provided that if fewer than two such quotations are provided as requested under (i) above, then the relevant interest rate or reference rate shall be determined by the Issuer or the Calculation Agent in its reasonable discretion;
- (c) if the Issuer or the Calculation Agent has determined, in its reasonable discretion, that a Reference Rate Event has occurred, it is notwithstanding the provisions set forth in paragraphs (a) and (b) above entitled:
  - (i) if a successor reference rate has been determined for the respective interest rate or reference rate by a public announcement issued by the administrator of the respective interest rate or reference rate, a competent central bank or a regulatory and/or supervisory authority or a successor administrator, to set such rate as the successor reference rate (the "Successor Reference Rate") and to use it instead of the respective interest rate or reference rate on the relevant fixing, observation or valuation date and on any subsequent fixing, observation or valuation date for the Securities;
  - (ii) if a Successor Reference Rate has not been determined by such announcement, to set as the successor reference rate a rate which is comparable to the respective interest rate or reference rate at its reasonable discretion and taking into account market practices (the "Successor Reference Rate") and to use such Successor Reference Rate on the relevant fixing, observation or valuation date and any subsequent fixing, observation or valuation date for the Securities,

where, if the Issuer or the Calculation Agent determines that an appropriate rate exists which is generally accepted in the financial sector as the Successor Reference Rate for the respective interest rate or reference rate, it will set such rate as the Successor Reference Rate for the Securities and will use that Successor Reference Rate for the Securities on the relevant fixing, observation or valuation date and any subsequent fixing, observation or valuation date,

provided that, in the event that a Successor Reference Rate is determined by the Issuer or the Calculation Agent pursuant to subparagraphs (i) or (ii) above, the Issuer and Calculation Agent shall be entitled to determine in their reasonable discretion (1) the method for periodically determining the amount of the Successor Reference Rate and/or (2) any adjustment factor as may be necessary to make the Successor Reference Rate comparable to the original interest rate or reference rate had no Reference Rate Event occurred with respect to such rate, in each case consistent with industry-accepted practices for the Successor Reference Rate and, if necessary, to make adjustments to the provisions of the Terms and Conditions of the Securities with respect to the calculation of the Successor Reference Rate, any interest or coupon payments under the Securities (if any) and the redemption of the Securities (including an adjustment of any interest period, the calculation of interest and the time at which the relevant interest rate or reference rate is determined).

### 3. Notices of adjustment

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

## II. Definitions

For the purposes of this section F:

"**Reference Banks**" means major banks or leading dealers in the relevant market selected by the Issuer or the Calculation Agent in its reasonable discretion and acting in a commercially reasonable manner.

"**Reference Rate Event**" means (a) any permanent and final termination of the determination, provision or publication of the relevant interest rate or reference rate by any administrator in circumstances where no successor administrator exists, or any other permanent and final discontinuation of the existence of the respective interest rate or reference rate or (b) a material change in the methodology of determining or calculating the relevant rate of the respective interest rate or reference rate as compared to the methodology used at the Issue Date if such change results in the respective rate, calculated in accordance with the new methodology, no longer representing, or being apt to represent adequately, the (original) rate or in terms of economic substance no longer being comparable to the (original) rate determined or calculated in accordance with the methodology used at the Issue Date or (c) the entry into force of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the relevant rate may no longer be used to determine the payment obligations under the Securities, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

"**Relevant Time**" means the relevant time of a fixing, observation or valuation in connection with the Securities, as indicated in the Final Terms.

"**Screen Page**" means the screen page in relation to the relevant interest rate or reference rate serving as Underlying indicated in the Final Terms.

## G. Additional Terms with respect to Securities linked to an Index or Indices

The following additional terms apply to all Securities issued under the Base Prospectus with an Index or Indices as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

## I. Adjustments

### 1. In general

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

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

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

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

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

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

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

### 4. Replacement of an Index

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

- (a) If the relevant Issuer reasonably determines that the Substitute Index is (a) calculated on the basis of a substantially similar formula and calculation method as the Index which is being replaced and (b)

acceptable to it, then the relevant Substitute Index shall for all purposes of the Securities be treated as Index instead of the Index which is being replaced.

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

#### **5. Termination of the publication of an Index or termination of license agreement**

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

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

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

#### **6. Further adjustments**

The above sections shall apply *mutatis mutandis* to any other events which, in the reasonable opinion of the relevant Issuer and/or the Calculation Agent, have a comparable effect as the events described in these sections.

## 7. Notices of adjustment

The relevant Issuer shall give notice to the Holders of any adjustment or modification which has been made according to the above sections, provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the respective adjustment or amendment. In case of a redemption of the Securities pursuant to and in accordance with paragraphs (a) or (b)(ii) of section A.1.5 (*Termination of the publication of an Index or termination of license agreement*), the Market Value determined by the relevant Issuer and/or the Calculation Agent shall be notified to the Holders within a time period of seven (7) Business Days following its determination and paid to the Holder as soon as reasonably practicable after the determination of the Market Value by the relevant Issuer and/or the Calculation Agent. Upon payment of the Market Value of each Security to the Holders, no further amounts shall be due and payable by the relevant Issuer.

## II. Market Disruption Events

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

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

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

## III. Definitions

For the purposes of this section G:

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

- (a) any suspension or disruption of or limitation imposed on trading (including, without limitation, any failure by the respective Related Exchange or other price source, as applicable, to announce or publish the final closing in respect of Index components due to an ordinary or extraordinary exchange holiday or for any other reason) in one or several Index components;
- (b) any suspension or disruption of or limitation imposed on trading of options or futures referencing such Index or one or several Index components on any exchange on which option or futures contracts referencing such Index are traded; and
- (c) any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for (i) one or several Index components or (ii) option or futures contracts referencing such Index or one or several Index components,

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

"**Substitute Index**" has the meaning ascribed to it in section A.I.4 (*Replacement of an Index*).

"**Successor Index Sponsor**" has the meaning ascribed to it in section A.I.2 (*Change with regard to the Index Sponsor*).

## H. Additional Terms with respect to Securities linked to commodities

The following additional terms apply to all Securities issued under the Base Prospectus with Commodities as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

### I. Adjustments

#### 1. In general

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

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

#### 2. Replacement of fixing level

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

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

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

#### 3. Correction to published fixing level

If a fixing level with respect to a Commodity which is the Underlying of the Securities or a Commodity which is part of a Basket of Commodities which is the Underlying of the Securities published on any day during the lifetime of the Securities and used or to be used by the Calculation Agent to determine a redemption amount or other amount to be paid under the Securities is subsequently corrected and the relevant correction is

published by the Related Exchange or any other person responsible for the calculation and/or publication of such fixing level no later than two (2) Underlying Business Days prior to the date on which such payment is due to be made, such corrected fixing level shall be deemed to be the fixing level for the purpose of the determination of the respective payment amounts and the relevant Issuer shall have the right to make such adjustments to the Terms and Conditions of the Securities as it deems necessary to account for such correction.

#### 4. Further adjustments

The above sections shall apply *mutatis mutandis* to any other events which, in the reasonable opinion of the relevant Issuer and/or the Calculation Agent, have a comparable effect as the events described in these sections.

#### 5. Notices of adjustment

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

## II. Market Disruption Events

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

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

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

## III. Definitions

For the purposes of this section H:

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

- (a) any suspension or material disruption of or material limitation imposed on trading in such Commodity by the Related Exchange or otherwise;
- (b) any suspension or material disruption of or material limitation imposed on trading of options or futures referencing such Commodity on any exchange on which option or futures contracts referencing such Commodity are traded;

- (c) failure by the respective Related Exchange or other price source, as applicable, to announce or publish a price or level in respect of such Commodity (including, without limitation, due to an ordinary or extraordinary exchange holiday);
- (d) failure of trading to commence, or the permanent discontinuation of trading (a) in the Commodity on the respective Related Exchange or (b) in option or futures contracts referencing such Commodity on any exchange on which option or futures contracts referencing such Commodity are traded;
- (e) any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for such Commodity or option or futures contracts referencing such Commodity;
- (f) the occurrence since the Initial Fixing Date of a material change in (a) the formula for or method used for the calculation of the price or level of such Commodity or (b) the content, composition or constitution of such Commodity or option or futures contracts referencing such Commodity; and
- (g) the imposition of, change in, or removal of any Taxes on, or measured by reference to, such Commodity or option or futures contracts referencing such Commodity (other than a Tax on, or measured by reference to, overall gross or net income) by any government authority or other body having the power to Tax, if the direct impact of such imposition, change or removal is to raise or lower a relevant level or price on the Underlying Business Day from what it would have been without such imposition, change or removal,

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

## **I. Additional Terms with respect to Securities linked to FX rates**

The following additional terms apply to all Securities issued under the Base Prospectus with foreign-exchange rates as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

### **I. Adjustments**

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

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

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

If the relevant Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying,

Basket Component or other underlying constituent or component of the Securities, then (a) such day shall be postponed to the first Underlying Business Day following the day on which the Market Disruption Event ceases to continue and (b) the relevant Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the day for such fixing, observation or valuation provided for in (a) above). In the case of such postponement, any payment(s) or delivery/-ies under the Securities dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The relevant Issuer shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the relevant Issuer.

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

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

### III. Definitions

For the purposes of this section I:

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

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

### J. Additional Terms with respect to Securities linked to Futures Contracts

The following additional terms apply to all Securities issued under the Base Prospectus with a futures contract or futures contracts as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

## I. Adjustments

### 1. In general

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

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

### 2. Substitution of reference market and/or price source

If the quotation of or trading in the futures contract on the relevant reference market of such futures contract or the publication of the price of the futures contract by the relevant price source of such futures contract is permanently discontinued while concurrently the quotation or trading is maintained or is commenced on another reference market or if the relevant price of the futures contract is published by another price source, the Issuer shall be entitled to stipulate such other reference market as the new reference market and/or such other price source as the price source (the "**Substitute Reference Market**" or the "**Substitute Price Source**"). In the case of such a substitution, any reference in the Terms and Conditions of the Securities to the reference market and/or price source thereafter shall be deemed to refer to the Substitute Reference Market and/or Substitute Price Source.

### 3. Changes in the futures contract

If at any time the relevant futures contract is terminated and/or replaced by another value or if the relevant contract characteristics and/or conditions of the futures contract or the underlying of the futures contract are changed, the Issuer and/or the Calculation Agent are entitled to make an adjustment to the Terms and Conditions of the Securities, which in the assessment of the Issuer and/or the Calculation Agent is appropriate to reflect the amendments and/or to replace the futures contract with a successor futures contract (the "**Successor Futures Contract**") which is economically equivalent to the original relevant concept of the futures contract. As the case may be, the Issuer and/or the Calculation Agent will multiply the relevant price of the futures contract by an adjustment factor in order to ensure the continuity of the development of the reference value(s) underlying the Securities. Any reference in the Terms and Conditions of the Securities to the futures contract shall, to the extent appropriate, be deemed to refer to the Successor Futures Contract.

### 4. Further adjustments

The above sections shall apply *mutatis mutandis* to any other events which, in the reasonable opinion of the relevant Issuer and/or the Calculation Agent, have a comparable effect as the events described in these sections.

### 5. Notices of adjustment

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

## II. Market Disruption Events

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

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

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

## III. Definitions

For the purposes of this section J:

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

- (a) (i) the failure of a price source of the futures contract(s) to announce or publish a price relevant for the Securities; or (ii) the temporary or permanent discontinuance or unavailability of such price source; or (iii) the disappearance or permanent discontinuance or unavailability of a price relevant for the Securities (notwithstanding the availability of the related price source or the status of trading in the relevant futures contract);
- (b) the material suspension or limitation of trading in the futures contract on the Related Exchange;
- (c) the failure of trading to commence, or the permanent discontinuation of trading, (i) in the futures contract on the Related Exchange;
- (d) the occurrence of a material change (i) in the formula for or method of calculating the price relevant for the Securities; or (ii) in the content, composition or constitution of the futures contract or of the underlying on which the futures contract is based; or
- (e) the imposition of, change in, or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar Tax on, or measured by reference to, the futures contract or the underlying on which the futures contract is based (other than a Tax on, or measured by reference to, overall gross or net income) by any government or tax authority, if the direct effect of such imposition, change or removal is to raise or lower a relevant price on a fixing, observation or valuation date from what it would have been without such imposition, change or removal.

## K. Additional Terms with respect to Securities linked to Fund Units

The following additional terms apply to all Securities issued under the Base Prospectus with a fund unit or fund units as Underlying(s) and shall always be read together with the applicable Final Terms of the relevant Securities.

## I. Adjustments

### 1. In general

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

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

### 2. Potential Adjustment Events

If the relevant Issuer and/or the Calculation Agent determines that a Potential Adjustment Event has occurred or is likely to occur, it may in the case of Securities with a fund unit or a Basket of fund unit as Underlying:

- (a) make any adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Securities that it determines at its reasonable discretion to be appropriate to account for the effect of such Potential Adjustment Event, and/or
- (b) select, by using reasonable efforts for a period of no longer than five (5) business days from the date when such a Potential Adjustment Event has occurred, one or more suitable alternative funds with reasonably similar investment mandates – subject to the following suitability criteria – (each a "Replacement Fund") and replace the fund used as Underlying, Basket Component or other underlying component by such fund(s).

The replacement of the fund used as Underlying, Basket Component or other underlying component of the Securities by one or more alternative Replacement Funds is only possible provided that all of the following suitability criteria are met:

- (i) there is no legal or regulatory restriction on referencing the fund in respect of the Securities;
- (ii) the relevant fund management company / fund manager publishes the fund's net asset value or bid price on a regular basis; and
- (iii) the Issuer is able to fully hedge its position with respect to the fund to the extent necessary.

The determination whether and to what extent an adjustment should be made following the occurrence of a Potential Adjustment Event shall be made by the relevant Issuer and/or the Calculation Agent in its sole and absolute discretion having regard to standard market practices.

Any adjustment made pursuant to this section shall be effective as of the date determined by the relevant Issuer and/or the Calculation Agent in its reasonable discretion.

### 3. Correction of price

In the event that the price of the fund unit used as the Underlying, Basket Component or other underlying component of the Securities as determined and published by a Fund Service Provider on behalf the fund is

subsequently corrected and the correction (the "**Corrected Price**") is published by a Fund Service Provider or otherwise on behalf of the fund after the original publication, but still within one settlement cycle, the relevant Issuer and/or the Calculation Agent shall be entitled to effect, under consideration of the Corrected Price, adjustments to the Terms and Conditions of the Securities at its reasonable discretion, to account for the correction.

#### 4. Further adjustments

The above sections shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the relevant Issuer and/or the Calculation Agent, has a comparable effect as the events described in these sections.

#### 5. Notices of adjustment

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

## II. Market Disruption Events

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

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

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

## III. Definitions

For the purposes of this section K:

"**Fund Change in Law**" means any of the following (taking place after the Issue Date):

- (a) the adoption, taking effect or implementation of any law, order rule, regulation, decree, notice or treaty;
- (b) any change in any law, order, rule, regulation, decree, notice or treaty or in the administration, interpretation, implementation or application thereof, whether formal or informal, by any court, tribunal, regulatory authority, governmental authority or similar administrative or judicial body; or
- (c) the making or issuance of any request, rule, guideline or directive (whether formal or informal or not having the force of law) by any court, tribunal, regulatory authority, governmental authority or similar administrative or judicial body; or

- (d) the holding, acquisition or sale of the fund units of the fund is or becomes wholly or partially illegal; or
- (e) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or negative consequences with regard to tax treatment).

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

- (a) a suspension or a failure of the announcement of the price of the fund unit on any day relevant for determining any amounts under these Terms and Conditions of the Securities; or;
- (b) the occurrence of any other event that, in the opinion of the relevant Issuer and/or the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the fund unit.

**"NAV"** means, in respect of any relevant fund unit, the net asset value calculated in accordance with the terms of the prospectus or other documents prepared in connection with the marketing of the fund such fund units relates to.

**"Potential Adjustment Event"** means, in respect of any fund unit which is the Underlying of the Securities or, as the case may be, any fund unit which is part of a Basket of Shares which is the Underlying of the Securities, any of the following events:

- (a) A material change in the investment strategy, underlying portfolio liquidity or the risk/return profile of the fund used as Underlying, Basket Component or other underlying component of the Securities, a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the fund used as Underlying, Basket Component or other underlying component of the Securities (howsoever described, including the underlying type of assets in which the fund invests) from those set out in the fund offer documentation or other constitutional documents or any announcement regarding a potential modification or material deviation, except where such modification or deviation is of a formal, minor or technical nature;
- (b) the fund used as Underlying, Basket Component or other underlying component of the Securities or any service provider to the fund such as investment advisors, investment managers, custodians, depositaries, administrators, management companies etc. (each a "Fund Service Provider") (i) ceases trading and/or, in the case of a Fund Service Provider, ceases to provide its services to the fund and is not immediately replaced in such capacity by a successor acceptable to the relevant Issuer and/or the Calculation Agent, (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights (other than pursuant to a consolidation, amalgamation or merger); or (iii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified above;
- (c) any suspension, a change in the periodicity and/or material modification of the method of calculating the NAV per fund unit set out in the fund documents on a particular fixing date;
- (d) the occurrence of a Fund Change in Law which has an effect on the fund;
- (e) any other event or circumstance, which, in the reasonable determination of the relevant Issuer and/or the Calculation Agent, causes the terms of these Securities (for economic or other reasons) to no longer reflect the original commercial terms agreed by the Issuer and the Holders or adversely affects the economic basis on which the Issuer issued the Securities.

## L. Information on the Underlyings

The Securities may be based on the performance of any kind of underlying, including, without limitation, a share (including a certificate representing shares (ADR/GDR)), a participation certificate (*Partizipationsschein*) or a profit participation certificate (*Genussschein*), an index (which may or may not be published and/or maintained by the relevant Issuer or any of its Affiliates), a currency exchange rate, a precious metal, a commodity, an interest rate, a non-equity security, an exchange traded fund unit, a not exchange traded fund unit, a futures contract, a standardized option contract or, as the case may be, and as specified in the relevant Final Terms, a reference rate (including, but not limited to, interest rate swap (IRS) rates, currency swap rates or, as the case may be, credit default swap levels), as well as a Basket or portfolio comprising the aforementioned assets (each such asset, an "**Underlying**").

If an Index is used as Underlying or, as the case may be, a Basket Component, and such Index is provided by a legal entity acting in association with, or on behalf of, the Issuer, the complete set of rules of the Index and information on the performance of the index will be freely accessible on Zürcher Kantonalbank's website.

The applicable Final Terms will specify the relevant Underlying, if any, and, to the extent appropriate and/or required by applicable laws and regulations, state where information on the relevant Underlying can be found and whether or not the relevant Issuer intends to provide further information on the Underlying.

Information about the historical or current performance of the relevant Underlying or Basket Component as well as its volatility may be obtained from the relevant issuer of the relevant Underlying or Basket Component, an Index Sponsor or the Related Exchange. Investors should note that the past performance of an Underlying or Basket Component at the time of issuance of the Securities should neither be regarded as indicative of any future performance of such underlying asset nor as an indication of the range of, trends or fluctuations in the price or value of such Underlying or Basket Component that may occur in the future. It is not possible to predict the future value of the Securities based on such past performance.

## **CONDITIONS Incorporated BY REFERENCE (CONTINUOUS OFFERING)**

The Securities issued under this Base Prospectus are either issued:

- (a) under the General Terms, any Additional Terms and the Information On The Underlyings contained in this Base Prospectus; or
- (b) under the terms set out in previous issuance programmes or base prospectuses referred to in the section "Incorporation By Reference" (the "Existing Terms").

Under this Base Prospectus the Issuer may, inter alia:

- continue a public offering of Securities that has already commenced,
- resume a public offering of Securities that has already been terminated,
- apply for listing and/or admission of the Securities to trading on an exchange, or
- increase the issue size of a series of Securities ("Increase")

If the public offer, the listing and/or admission to trading or the Increase concerns Securities issued under a previous issuance programme or base prospectus, the applicable Final Terms shall be read in conjunction with the Existing Terms from the relevant previous issuance programme or base prospectus. All Existing Terms are incorporated by reference in this Base Prospectus (see section "Incorporation by Reference").

## FORM OF FINAL TERMS

*[Attached as separate documents]*

THIS IS A NON-BINDING ENGLISH TRANSLATION OF THE ISSUERS' "MUSTER DER ENDGÜLTIGEN BEDINGUNGEN (FINAL TERMS) FÜR ANDERE STRUKTURIERTE PRODUKTE (OHNE WARRANTS UND MINI-FUTURES)" PUBLISHED IN GERMAN. THE GERMAN TEXT SHALL BE CONTROLLING AND BINDING. THE ENGLISH LANGUAGE TRANSLATION IS PROVIDED FOR CONVENIENCE ONLY.

# Template of the Final Terms

## for other Structured Products (excl. Warrants und Mini-Futures)

[NAME OF THE PRODUCT]

[Subscription period and Swiss Security Code] [●]

[Summary

*[Summary to be inserted]*]

### 1. Product Specific Conditions and Product Description

<b>New Issue[/indicative Final Terms]</b>	[** The information contained herein is purely of an indicative nature. The Issuer/Calculation Agent shall fix the legally binding parameters on the Initial Fixing Date. The Investor acknowledges that the Final Terms of the present Structured Product shall not be fixed until the Initial Fixing Date, and by subscribing to the present Structured Product is indicating his agreement with the Final Terms.] [●]
<b>Product Category/Name</b>	[●] ([●], according to the Swiss Derivative Map provided by the Swiss Structured Products Association) of [●]
<b>Regulatory Notification</b>	<b>This is a Structured Product. It does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and it is not subject to authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA. The issuer risk is borne by investors.</b>
<b>[Investment Profile</b>	[●]
<b>[Title Universe</b>	[●]
<b>[Rebalancing</b>	[●]
<b>Issuer</b>	[Zürcher Kantonalbank, Zurich] [Zürcher Kantonalbank Finance (Guernsey) Limited, Saint Peter Port, Guernsey Zürcher Kantonalbank Finance (Guernsey) Limited, Guernsey is a wholly owned and fully consolidated subsidiary of Zürcher Kantonalbank. It is not subject to any direct prudential supervision neither in Guernsey nor in Switzerland and does not have a rating.]
<b>[Keep-Well Agreement</b>	Zürcher Kantonalbank Finance (Guernsey) Limited is a fully owned subsidiary of Zürcher Kantonalbank. Zürcher Kantonalbank obtains the following ratings: Standard & Poor's: [●], Moody's: [●], Fitch: [●]. Zürcher Kantonalbank is committed to Zürcher Kantonalbank Finance (Guernsey) Limited with sufficient financial means, allowing to satisfy any claims of its creditors in due time. The full text of the

	Keep-Well Agreement can be found under Annex [●] of the Base Prospectus.]
<b>[Rating of the Issuer</b>	Standard & Poor's [●], Moody's [●], Fitch [●]
<b>[Lead Manager, Paying Agent, Exercise Agent and Calculation Agent]</b>	[Zürcher Kantonalbank, Zurich] [●]
<b>[Investment Manager</b>	[●]
<b>[Symbol/]Swiss Security Code/ISIN</b>	[●] [(not listed)]/[●]
<b>Notional Amount/Denomination/ Trading Units</b>	[●]
<b>[Number of Structured Products</b>	Up to [●][, with the right to increase]]
<b>Issue Price [per Structured Product]</b>	[●]
<b>Currency</b>	[Quanto] [●]
<b>Quotation Type</b>	[●]
<b>Underlying [per Initial Fixing Date]</b>	[●]
<b>[Basket Value</b>	[●] on Initial Fixing Date]
<b>[Knock-in Level</b>	[●]% of Initial Fixing Value]
<b>[Cap/Cap Level</b>	[●] / [●]% of [●]
<b>[Ratio</b>	[●]
<b>[Dividend Payments</b>	[●]
<b>[Minimum Repayment Price</b>	[●]
<b>[Maximum Repayment Price</b>	[●]
<b>[Maximum Redemption Amount</b>	[●]
<b>[Maximum Return</b>	[●]% [for the entire investment period] / [●]% p.a.]
<b>[Bonus Payment</b>	[●]
<b>[Participation Rate</b>	[●]%, [●]
<b>[Exercise Price</b>	[●]
<b>[Multiplier</b>	[●]
<b>[Call Level</b>	[●] / [●]% of [●]
<b>[Knock-in Level</b>	[●] / [●]% of the Underlying on the Initial Fixing Date]
<b>[Knock-out Level</b>	[●] / [●]% of the Underlying on the Initial Fixing Date]

<b>[Rebate-Payment</b>	[•]]
<b>[Coupon</b>	[•] / [•] % (Coupon p.a./[•]%) interest payment p.a. [•] / premium payment p.a. [•]]
<b>[Coupon Date(s)</b>	[•]  [The Coupon will be paid in equal parts on each Coupon Dates.]]
<b>[Observation Dates/Early Redemption Dates</b>	[•]  The bank working days of the Exercise Agent shall apply for the observation days. [If the exchange is closed on an Observation Date, the next following day where the exchange is open will be used for the calculation of the Underlying (modified following business day convention).]]
<b>[Minimum Coupon</b>	[•]%]
<b>[Day Count Fraction</b>	[30/360 (German)][, modified following] [•]]
<b>[Coupon Fixing</b>	[•]]
<b>[Coupon Calculation</b>	[•]]
<b>[Return Cap</b>	[•]]
<b>[Return Floor</b>	[•]]
<b>[Participation Rate</b>	[•]]
<b>[Subscription Period]</b>	[Subscriptions for these Structured Products can be made <b>until [•]</b> . The Issuer shall have the right, to reduce the number of Structured Products issued or to withdraw them from the issue for any reason. Furthermore, the Issuer shall have the right to close the offer prematurely or to postpone the Subscription Period.] [•]
<b>Initial Fixing Date</b>	[•]
<b>[Issue Date/Payment Date]</b>	[•]
<b>[Redemption Right of the Issuer]</b>	[The Issuer has the right to redeem the outstanding Structured Products [•] on [•] (fixing date; modified following), for the first time on [•]. On the fixing date, the redemption amount is determined, which is governed by the information under the section Redemption Method. The announcement and thus the declaration of intent to exercise the Redemption right is made with a notice period of 20 banking days [via the official publication channel of the SIX Swiss Exchange][on the website of Zürcher Kantonalbank]. No statement of reasons is required. The redemption will be executed with a value date of 5 bank working days after the fixing date (Redemption Date).] [•]

<b>[Right to return of the Investor]</b>	<p>[In addition to the possibility of selling the Structured Products in the secondary market, the Investor has the right to return the Structured Product [●] per [●] (fixing date, modified following), to the Issuer, for the first time on [●]. On the fixing date, the redemption amount is determined, which is governed by the information under the section Redemption Method. The declaration of intent to exercise the Right to return must be received no later than 5 banking days before the respective fixing date (exercise date) by Zürcher Kantonalbank and must be sent to the following addressees: by letter post to Zürcher Kantonalbank, Sales Structured Products, IHHV, P.O. Box, 8010 Zürich, or by email to <a href="mailto:derivate@zkb.ch">derivate@zkb.ch</a>. The repayment will be executed with a value date of 5 bank working days after the fixing date (Redemption Date).</p> <p>Should the Structured Products of the Investor be deposited in a custodian bank, the Investor needs additionally and in due time advise/inform his custodian bank according the notice of redemption.] [●]</p>
<b>[Last Trading Date]</b>	[●]
<b>[Final Fixing Date]</b>	[●]
<b>[Redemption Date/Date of Delivery]</b>	[●] [, prematurely possible, for the first time on [●]]
<b>Initial Fixing Value</b>	[●]
<b>[Final Fixing Value]</b>	[●]
<b>[Coupon Payment Dates/Payments]</b>	[●]
<b>[Observation Dates/Early Redemption Dates]</b>	[●]
<b>[Stop Loss Level]</b>	[●]
	<p>[The Structured Product will be redeemed prematurely if the Calculation Agent determines during the lifetime of the Product that the bid price of the Structured Product is below the Stop Loss Mark. In this case, the Calculation Agent shall dissolve the product in the interests of the customer. The actual selling price achieved for the Underlying is used to calculate the Redemption Amount. The Stop Loss Level is not a guaranteed Redemption. Especially in volatile markets, the Early Redemption price may deviate from the Stop Loss Level. Early Redemption takes place 5 working days after completion of the sale of the Underlying. The Investor is not obliged to make additional contributions.]]</p>
<b>[Certificate Value]</b>	[●]
<b>[Redemption Method]</b>	[●]
<b>Listing</b>	<p>[Application to list on the SIX Swiss Exchange will be filed, the first provisory Trading Date will be [●]]</p> <p>[The Structured Product shall not be listed on an official exchange. The Issuer shall provide a secondary market with a bid-ask spread of no more than [●] % under normal market conditions.]</p>

	[•]
<b>[Annual Fee]</b>	[[•]% The Annual Fee will be charged based on the value of the Structured Product and is pro rata temporis included in the trading price. Of the Annual Fee, the Issuer receives [•] % for the administration and the Investment Manager receives [•] % for the discretionary management of the Structured Product.]
	[•]
<b>[Performance Fee]</b>	[[•]% of the positive performance of the Underlying in favour of the Investment Manager. The Performance Fee is deducted on a daily basis, provided that the value of the Certificate is higher than the previous maximum price of the Certificate (high watermark).] [•]
<b>[Rebalancing Fee]</b>	[•]
<b>Clearing house</b>	[SIX SIS Ltd./Euroclear/Clearstream] [•]
<b>[Distribution Fees]</b>	[In the case of this Structured Product, [no] distribution fees will have been paid to one or more distributors in the form of a discount on the issue price, as compensation for part of the issue price or in the form of other one-time and/or periodic fees.]] [The sales compensation to distributors can be up to [•].] [•]
<b>[Distribution fees to partners outside the group]</b>	[No sales compensation is paid to non-group sales partners for this Structured Product.] [Distribution Fees are paid out to distribution partners of this Structured Product outside the group and may amount up to [•] p.a.] [•]
<b>[Distribution fees to partners inside the group]</b>	[Distribution fees are paid out to the Lead Manager and may amount up to [•].] [•]
<b>[Sales: Tel [•]]</b>	[SIX Telekurs: .zkb Reuters: ZKBSTRUCT Internet: www.zkb.ch/strukturierteprodukte Bloomberg: ZKBY <go>] [•]
<b>[Essential Product Features]</b>	[•]
<b>Taxes</b>	[•]  The information above is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of Structured Products. The relevant tax law and practice may change. The Issuer does not assume any liability in connection with the above information. The tax information only provides a general overview and can not substitute the personal tax advice to the Investor.
<b>Documentation</b>	[This document is a non-binding English translation of the Endgültige Bedingungen (Final Terms) published in German and constituting the [indicative] Final Terms in accordance with article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The English language translation is provided for convenience only.  The binding German version of these [indicative] Final Terms supplements the Base Prospectus approved by [SIX Swiss Exchange] published in German by the Issuer in the version

which is effective at the time of issue. [These [indicative] Final Terms constitute a simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013.] Together with the Base Prospectus, these [indicative] Final Terms form the product documentation for this issue. Except as otherwise defined in these [indicative] Final Terms, capitalised terms used in these [indicative] Final Terms have the meaning given to them in the Base Prospectus. If there is any inconsistency between the information or provisions in these [indicative] Final Terms and those in the Base Prospectus, the information and provisions in these [indicative] Final Terms shall prevail. In the event of a listing of the Structured Products, the product documentation will be adapted, if and to the extent necessary, in accordance with the requirements of the relevant exchange. Structured Products will be issued in the form of uncertificated securities (*Wertrechte*) and registered as book-entry securities (*Bucheffekten*) with [●]. Investors have no right to require the issuance of any certificates or any proof of evidence for the Structured Products.

**These [indicative] Final Terms and the Base Prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIE, or by e-mail at [documentation@zkb.ch] [●] .] [●]**

#### **Information on the Underlying**

[Information to be inserted.]

[Information on the performance of the Underlying / a component of the Underlying is publicly available on [www.bloomberg.com] [●]. [Current annual reports are published on the website of the respective business entity/Index Provider.] [The transfer of the Underlying / a component of the Underlying is conducted in accordance with their respective statutes.]] [The Underlying / a component of the Underlying may include a management fee.]

#### **Notices**

[Any notice by the Issuer in connection with these Structured Products, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website [https://zkb-finance.mdgms.com/products/stp/index.html] [●]. With the valor search function (Valorensuchfunktion) the relevant Structured Product can be located. [If this Structured Product is listed on the SIX Swiss Exchange, the notices will be published in accordance with the rules issued by the SIX Swiss Exchange for IBL (Internet Based Listing) on the website [https://www.six-exchange-regulation.com/en/home/publications/official-notices.html] [●].] [●]

#### **Governing Law / Jurisdiction**

**Swiss law / Zurich**

[Insert further details of the product description, if applicable]

## **2. Profit and Loss Expectation at Maturity**

#### **Profit and Loss Expectation at Maturity[/year 1]**

[●]

[The table above is valid [●] and is by no means meant as a price indication for this Structured Product throughout its lifetime. During the term of this Structured Product additional risk factors may have a material effect on the value of the Structured Product. The price

quoted on the secondary market may deviate considerably from the above list. [It was assumed that in the table above [●] was the worst performing Underlying. This selection is just a representative example of the possible alternatives.] [For presentation purposes, it is assumed that the currency of the Underlying has not changed during the term.]]

### 3. Material Risks for Investors

#### Credit Risk relating to Issuer

[Obligations under these Structured Products constitute direct, unconditional and unsecured obligations of the Issuer and rank pari passu with other direct, unconditional and unsecured obligations of the Issuer. The value of the Structured Products does not only depend on the performance of the Underlying and other developments in the financial markets, but also on the solvency of the Issuer, which may change during the term of this Structured Product.] [●]

#### Specific Product Risks

[●]

### 4. Additional Terms

#### Modifications

[●]

#### [Change of Obligor

[●]]

#### Market Disruptions

[●]

#### [Risks related to the Underlying

[●]]

#### [Early Termination in Case of Change of Law

[●]]

#### [Substitution of Underlying

[●]]

#### Selling Restrictions

**The Selling Restrictions listed in the Base Prospectus apply - [EEA, U.S.A./U.S. persons, Guernsey] [●]. [●]**

#### Recording of Telephone conversations

Investors are reminded that telephone conversations with trading or sales units of Zürcher Kantonalbank are recorded. Investors, engaging in telephone conversations with these units provide their tacit consent to the recording of their conversations.

#### Further Information

This document constitutes neither an offer nor a recommendation or invitation to purchase financial instruments and can't replace the individual investor's own judgement. The information contained in this document does not constitute investment advice but is intended solely as a product description. An investment decision should in any case be made on the basis of these Final Terms and the Base Prospectus. Particularly, before entering into a transaction, the investor should, if necessary with the assistance of an advisor, examine the conditions for investment in the Product in consideration of his personal situation with regard to legal, regulatory, tax and other consequences. Only an investor who is aware of the risks of the transaction and has the financial capacity to bear any losses should enter into such transactions.

**[Insert further provisions, if applicable]**

**Material Changes**

[Since the end of the last financial year or the date of the interim financial statements, there have been no material changes in the assets, financial or revenue position of the Issuer [insert if Structured Products have been issued by Zürcher Kantonalbank Finance (Guernsey) Limited: and Zürcher Kantonalbank]]. [●]

**Responsibility for the Final Terms**

Zürcher Kantonalbank, Zurich, [insert if Structured Products have been issued by Zürcher Kantonalbank Finance (Guernsey) Limited: and Zürcher Kantonalbank Finance (Guernsey) Limited] assume[s] responsibility for the content of these Final Terms and hereby declare[s] that, to [its] [their] knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

THIS IS A NON-BINDING ENGLISH TRANSLATION OF THE ISSUERS' "MUSTER DER ENDGÜLTIGEN BEDINGUNGEN (FINAL TERMS) FÜR MINI-FUTURES" PUBLISHED IN GERMAN. THE GERMAN TEXT SHALL BE CONTROLLING AND BINDING. THE ENGLISH LANGUAGE TRANSLATION IS PROVIDED FOR CONVENIENCE ONLY.

# Template of the Final Terms for Mini-Futures

[NAME OF THE PRODUCT]

[Subscription period and Swiss Security Code] [●]

[Summary

*[Summary to be inserted]*]

## 1. Product Specific Conditions and Product Description

<b>Product Category/Name</b>	Mini-Future certificates ([●], in accordance to the Swiss Derivative Map provided by the Swiss Structured Products Association of [●])
<b>Regulatory Notification</b>	<b>This product does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and is not subject to authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA. The issuer risk is borne by investors.</b>
<b>Key Features of the Product</b>	[Mini-Futures enable a greater participation in the price performance of the Underlying, in keeping with the leverage. Mini-Futures [Long][Short] benefit from [rising][falling] prices of the Underlying. Mini-Futures [Long][Short] do not have a fixed term, but have a Stop-Loss Level, which is adjusted daily or periodically. Upon reaching the Stop-Loss Level the Mini-Future [Long][Short] expires immediately and any realisable residual value is repaid to the Investor. A daily interest rate consisting of a Money Market Interest Rate and a Financing Spread is offset against the leveraged capital in the amount of the Financing Level provided by the Issuer. Any investment income from the Underlying will be deducted from the Financing Level.] [●]
<b>Issuer</b>	[Zürcher Kantonalbank, Zurich] [Zürcher Kantonalbank Finance (Guernsey) Limited, Saint Peter Port, Guernsey] Zürcher Kantonalbank Finance (Guernsey) Limited is a 100% and fully consolidated Group Company of Zürcher Kantonalbank. Zürcher Kantonalbank Finance (Guernsey) Limited is not directly subject to prudential supervision in Guernsey or Switzerland and has no rating.]
<b>[Keep-Well Agreement</b>	Zürcher Kantonalbank Finance (Guernsey) Limited is a 100% subsidiary of the Zürcher Kantonalbank. Zürcher Kantonalbank has the following three ratings: Standard & Poors [●], Moody's [●], Fitch [●]. Zürcher Kantonalbank is obliged at all times to provide Zürcher Kantonalbank Finance (Guernsey) Limited with sufficient financial resources to enable it to satisfy the claims of creditors in a timely manner at all times. The entire wording of the Keep-Well Agreement, which is subject to Swiss law, can be found under Annex [●] of the publicly available Base Prospectus.]

<b>[Rating of the Issuer</b>	Standard & Poor's [●], Moody's [●], Fitch [●]
<b>[Paying Agent, Exercise Agent and Calculation Agent]</b>	[Zürcher Kantonalbank, Zurich] [●]
<b>[Symbol/]Swiss Security Code /ISIN</b>	[●] [(not listed)]/[●]
<b>Underlying</b>	[●]
<b>Underlying's Spot Reference Price</b>	[●]
<b>Ratio</b>	[●]
<b>Reference Currency</b>	[●]
<b>Issue Price</b>	[●]
<b>Issue Volume</b>	[Up to [●] Mini-Futures, with the right to increase] [●]
<b>Financing Level at Initial Fixing</b>	[●]
<b>Stop-Loss Level at Initial Fixing</b>	[●]
<b>Initial Fixing Date</b>	[●]
<b>First Trading Date</b>	[●]
<b>[Issue Date/Payment Date]</b>	[●]
<b>Duration</b>	Open End
<b>Initial Financing Spread</b>	[●]%
<b>Maximum Financing Spread</b>	[●]%
<b>Initial Stop-Loss Buffer</b>	[●]%
<b>Maximum Stop-Loss Buffer</b>	[●]%
<b>Rounding of Financing Level</b>	[●]
<b>Rounding of Stop-Loss Level</b>	[●]
<b>Observation Period</b>	Continuous monitoring from Initial Fixing
<b>Initial Leverage</b>	[●] (Sport Reference Price of the Underlying, multiplied by FX rate, divided by Ratio, divided by Issue Price)
<b>Current Financing Level</b>	At the end of each adjustment day, the Financing Level is adjusted by offsetting the interest and debiting any investment income of the Underlying. The Current Financing Level is determined by the Calculation Agent using the following formula:  [●]  The result of the calculation is rounded [up][down] to the nearest multiple according to the rounding of the Financing Level.
<b>Adjustment Dates</b>	[Every trading day of the Mini-Future] [●]

<b>Trading and Execution Units</b>	[•] Mini-Future/s or a multiple thereof
<b>Money Market Interest Rate</b>	[The current Money Market Interest Rate determined by the Calculation Agent for overnight deposits in [•][•].] [•]
<b>Financing Spread</b>	[Value determined by the Calculation Agent on each Adjustment Day which is at least zero and at most equals to the Maximum Financing Spread.] [•]
<b>Stop-Loss Event</b>	[A Stop-Loss Event occurs, if the price of the Underlying touches or [falls below][exceeds] the Current Stop-Loss Level during the Underlying's trading hours. In this case, the Mini-Futures are considered automatically exercised and expired.] [•]
<b>Current Stop-Loss Level</b>	<p>The Current Stop-Loss Level is determined by the Calculation Agent on each Stop-Loss Level Fixing Date after the Financing Level has been adjusted, according to the following formula:</p> <p>[•]</p> <p>The result of the calculation is rounded [up][down] to the next multiple of the rounding of the Stop-Loss Level.</p>
<b>Stop-Loss Level Fixing Dates</b>	[Each first banking day of the month, each ex-dividend day of the Underlying and, at the discretion of the Issuer, each banking day on which the Issuer deems it necessary to adjust the Stop-Loss Level.] [•]
<b>Stop-Loss Buffer</b>	[A value determined by the Calculation Agent on each Stop-Loss Level Fixation Day that is equal to or greater than zero and equal to or less than the Maximum Stop-Loss Buffer.] [•]
<b>Stop-Loss Liquidation Price</b>	[A price for the relevant Underlying determined by the Payment Agent and Calculation Agent within a period of one hour during the trading hours of the Certificate following the occurrence of the Stop-Loss Event. If a Stop-Loss Event occurs less than one hour before the end of any trading period, the period will be extended to the next trading day. The Stop-Loss Liquidation Price may deviate significantly from the Stop-Loss Level.] [•]
<b>Investor Put Option</b>	[From the first trading day of the Mini-Futures, the investor has the right to exercise his Mini-Futures on this and any subsequent trading day - subject to the occurrence of a stop-loss event - or to demand payment of the corresponding redemption amount. The corresponding written exercise declaration must be received by the exercise office by 11.00 a.m. CET at the latest.] [•]
<b>Issuer Call Option</b>	[The Issuer is entitled at any time, without giving reasons, to cancel unexercised Mini-Futures, for the first time 3 months after provisory trade approval at SIX Swiss Exchange.] [•]
<b>Final Fixing Date</b>	[The trading day on which a Stop-Loss Event occurs, the Mini-Futures are cancelled by the Issuer or exercised by the investor. The occurrence of a Stop-Loss Event takes precedence over termination or exercise.] [•]
<b>Redemption Amount on Exercise, Termination or Stop-Loss Event</b>	Per Mini-Future, an amount calculated according to the following formula in the Reference Currency will be paid out upon the

occurrence of a Stop-Loss Event, upon exercise by the investor or upon redemption by the Issuer:

[●]

The repayment will be paid five trading days after the Final Fixing Day.

## **Listing**

[Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day will be [●]]

[The product is not listed on a recognised stock exchange. The Issuer offers a secondary market with a maximum bid-ask spread of [●] under normal market conditions.]

[●]

## **[Secondary market/Tradability**

[The Issuer intends (without legal obligation), under normal market conditions, to constantly provide indicative bid and offer prices for this Product during continuous trading. Actual bid/offer prices are available on <https://zkb-finance.mdgms.com/products/warrants/index.html> and on SIX Swiss Exchange.] [●]

## **Clearing Agent**

[SIX SIS Ltd./Euroclear/Clearstream] [●]

## **[Sales: Tel [●]**

[SIX Telekurs: .zkb Reuters: ZKBWTS  
Internet: [www.zkb.ch/strukturierteprodukte](http://www.zkb.ch/strukturierteprodukte)  
Bloomberg: ZKBW <go>] [●]

## **Taxes**

[Any profits or losses arising from Mini-Futures are considered capital gains or losses for private investors domiciled in Switzerland for tax purposes and are therefore not subject to income tax. The product is not subject to federal withholding tax. The product may be subject to further withholding taxes or duties, in particular under the rules of FATCA or Sect. 871(m) U.S. Tax Code or foreign financial transaction taxes. All payments from this product are made after deduction of any withholding taxes and levies.] [●]

The information above is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of derivatives. The relevant tax law and practice may change. The Issuer does not assume any liability in connection with the above information. The tax information only provides a general overview and can not substitute the personal tax advice to the investor.

## **Documentation**

[This document is a non-binding English translation of the Endgültige Bedingungen (Final Terms) published in German and constituting the [indicative] Final Terms in accordance with article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The English language translation is provided for convenience only.]

The binding German version of these [indicative] Final Terms supplements the Base Prospectus of the Issuer approved by [SIX Swiss Exchange] published in German in the version which is effective at the time of issue. [These [indicative] Final Terms constitute a simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013.] Together with the Base Prospectus, these [indicative] Final Terms form the product

documentation for this issue. Except as otherwise defined in these [indicative] Final Terms, capitalised terms used in these [indicative] Final Terms have the meaning given to them in the Base Prospectus. In case of discrepancies between information or the provisions in these [indicative] Final Terms and those in the Base Prospectus, the information and provisions in these [indicative] Final Terms shall prevail. In the event of a listing of the Mini-Futures, the product documentation will be adapted, if and to the extent necessary, in accordance with the requirements of the relevant exchange. Mini-Futures will be issued in the form of uncertificated securities (*Wertrechte*) and registered as book-entry securities (*Bucheffekten*) with [●]. Investors have no right to require the issuance of any certificates or any proof of evidence for the Structured Products.

**These [indicative] Final Terms and the Base Prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIE, or by e-mail at [documentation@zkb.ch][●]. [●]**

#### **Information on the Underlying**

[Information to be inserted.]

[Information on the performance of the Underlying is publicly available on [www.bloomberg.com][●]. Current annual reports are published on the website of the respective index provider.]

#### **Notifications**

Any notice by the Issuer in connection with these Mini-Futures, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website [<https://zkb-finance.mdgms.com/products/warrants/index.html>] [●] to the corresponding product. The Swiss security code search button will lead you directly to the relevant product. The notices will be published in accordance with the rules issued by SIX Swiss Exchange for IBL (Internet Based Listing) on the website [<https://www.six-exchange-regulation.com/de/home/publications/official-notices.html>] [●].

#### **Governing Law/Jurisdiction**

**Swiss Law/Zurich**

**[Insert further details of the product description, if applicable]**

## **2. Profit and Loss Expectation at Maturity**

#### **Profit and Loss Expectation at Maturity[/year 1]**

[●]

[[LONG][SHORT] Mini-Futures offer the opportunity to benefit disproportionately from a positive/negative performance of the Underlying. The profit outlook [LONG][SHORT] Mini-Futures is basically unlimited. The potential loss of [LONG][SHORT] Mini-Futures is limited to the capital invested.

Mini-Futures are Derivatives whose risk is correspondingly greater than the risk of the Underlying due to the leverage effect.

In the event of a Stop-Loss Event, the actual execution price of the closing out of the Mini-Future may diverge sharply from the Current Stop-Loss Level, which is only to be seen as the trigger of a

Stop-Loss Event, not as an actual indication of the Redemption Amount of the certificate that can be effectively reached.]

### 3. Material Risks for Investors

#### Credit Risk relating to Issuer

[Obligations under these Derivatives constitute direct, unconditional and unsecured obligations of the Issuer and rank pari passu with other direct, unconditional and unsecured obligations of the Issuer. The value of the Derivatives does not only depend on the performance of the Underlying and other developments in the financial markets, but also on the solvency of the Issuer, which may change during the term of this Series of Derivatives.] [●]

#### Specific Product Risks

[Mini-Futures involve the risk of losing the entire capital initially paid (the Issue Price). They are meant only for experienced investors who understand the associated risks and can bear them. [LONG][SHORT] Mini-Futures do not generate continuous income; Mini-Futures generally lose value if there is no price [increase][decrease] of the Underlying or if the price of the Underlying remains constant. Mini-Futures are investment products whose risk is greater than a direct investment in the Underlying due to the Leverage effect.] [●]

### 4. Additional Terms

#### Modifications

[●]

#### Market Disruptions

[●]

#### Selling Restrictions

**The Selling Restrictions listed in the Base Prospectus apply - [EEA, U.S.A./U.S. persons, United Kingdom] [●]**

#### Recording of Telephone conversations

Investors are reminded, that telephone conversations with trading or sales units of the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.

#### Further Information

This document constitutes neither an offer nor a recommendation or invitation to purchase financial instruments and can't replace the individual investor's own judgement. The information contained in this document does not constitute investment advice but is intended solely as a product description. An investment decision should in any case be made on the basis of these Final Terms and the Base Prospectus. Particularly, before entering into a transaction, the investor should, if necessary with the assistance of an advisor, examine the conditions for investment in the Product in consideration of his personal situation with regard to legal, regulatory, tax and other consequences. Only an investor who is aware of the risks of the transaction and has the financial capacity to bear any losses should enter into such transactions.

### Material Changes

**[Since the end of the last financial year or the date of the interim financial statements, there have been no material changes in the assets, financial or revenue position of the Issuer [insert if**

**Structured Products have been issued by Zürcher Kantonalbank Finance (Guernsey) Limited: and Zürcher Kantonalbank]]. [●]Responsibility for the Final Terms**

Zürcher Kantonalbank, Zurich, [insert if Mini-Futures have been issued by Zürcher Kantonalbank Finance (Guernsey) Limited: and Zürcher Kantonalbank Finance (Guernsey) Limited] assume[s] responsibility for the content of these Final Terms and hereby declare[s] that, to [its] [their] knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

THIS IS A NON-BINDING ENGLISH TRANSLATION OF THE ISSUERS' "MUSTER DER ENDGÜLTIGEN BEDINGUNGEN (FINAL TERMS) FÜR WARRANTS (INKL. KNOCK-OUT WARRANTS)" PUBLISHED IN GERMAN. THE GERMAN TEXT SHALL BE CONTROLLING AND BINDING. THE ENGLISH LANGUAGE TRANSLATION IS PROVIDED FOR CONVENIENCE ONLY.

# Template of the Final Terms

## for Warrants (incl. Knock-out Warrants)

[NAME OF THE PRODUCT]

[Subscription period and Swiss Security Code] [●]

### [Summary

*[Summary to be inserted]*

## 1. Product Specific Conditions and Product Description

<b>Product Category/Name</b>	[Warrant]/[Warrant with Knock-Out]/[●], in accordance to the Swiss Derivative Map provided by the Swiss Structured Products Association of [●]
<b>Regulatory Notification</b>	<b>This product does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and is not subject to authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA. The issuer risk is borne by investors.</b>
<b>Key Elements of the Product</b>	<p>[The Investor benefits both from a [rising]][falling] Underlying and [marginally] from the rising volatility of the Underlying. [The investor has the right (not the obligation) to [buy (call)] [sell (put)] the Underlying against payment of the Exercise Price [during the exercise period (American)][on expiration date (European)].</p> <p>Warrants are appropriate for Investors with a high risk tolerance who invest the Issue Price in order to speculate on the future performance of the Underlying or to hedge a portfolio against market fluctuations. Due to the Leverage, the potential return from the amount invested is disproportionately higher than a direct investment in the Underlying. [Knock-out warrants are similar to Warrants with no Knock-Out feature. If during the life time of the Knock-Out Warrant the Underlying lies at or [below][above] the Knock-out Price, the Warrant expires worthless.]] [●]</p>
<b>Issuer</b>	[Zürcher Kantonalbank, Zurich] [Zürcher Kantonalbank Finance (Guernsey) Limited, Saint Peter Port, Guernsey] Zürich Kantonalbank Finance (Guernsey) Limited is a 100% and fully consolidated Group Company of Zürcher Kantonalbank. Zürcher Kantonalbank Finance (Guernsey) Limited is not directly subject to prudential supervision in Guernsey or Switzerland and has no rating.]
<b>[Keep-Well Agreement</b>	Zürcher Kantonalbank Finance (Guernsey) Limited is a 100% subsidiary of the Zürcher Kantonalbank. Zürcher Kantonalbank has the following three ratings: Standard & Pools [●], Moody's [●], Fitch [●].Zürcher Kantonalbank is

obliged at all times to provide Zürcher Kantonalbank Finance (Guernsey) Limited with sufficient financial resources to enable it to satisfy the claims of creditors in a timely manner at all times. The entire wording of the Keep-Well Agreement, which is subject to Swiss law, can be found under Annex [●] of the publicly available Base Prospectus.]

<b>[Rating of the Issuer]</b>	Standard & Poor's [●], Moody's [●], Fitch [●]]
<b>[Paying Agent, Exercise Agent and Calculation Agent]</b>	[Zürcher Kantonalbank, Zurich] [●]]
<b>[Symbol/]Swiss Security Code /ISIN</b>	[●] [(not listed)]/[●]
<b>Number of Warrants/Trading Units</b>	[Up to [●] Warrants, with the right to increase/1 Warrant or a multiple thereof] [●]
<b>[Minimum Exercise Amount]</b>	[●] Warrant(s) or a multiple thereof]
<b>Exercise Price</b>	[●]
<b>[Knock-out Price]</b>	[●]]
<b>Currency</b>	[●]
<b>Underlying</b>	[●]
<b>Ratio</b>	[●]
<b>Issue Price</b>	[●]
<b>[Reference Price of the Underlying]</b>	[●]]
<b>Implied Volatility</b>	[●]%
<b>Exercise Style [/ Option Type]</b>	[●]
<b>[Exercise Right]</b>	[A number of Warrants (determined by the ratio) entitles to purchase/to sale 1 Underlying at the strike price. Payments/deliveries are due 5 bank working days after the exercise date. If the exercise is suspended, the investor will receive a cash value. The exercise of the Warrants shall be made through the custodian bank. Exercise Agent: Zürcher Kantonalbank, Asset Servicing, P.O. Box, 8010 Zurich, Tel.: +41 44 292 98 94, E-Mail: corporateactions@zkb.ch] [●]
<b>[Exercise Period]</b>	[●]]
<b>Type of Settlement</b>	[Cash Settlement][Physical Delivery] [●]
<b>[Premium]</b>	[●] % ([●] % p.a.) The premium indicates how much the Underlying's price must rise/fall until expiry for the investment to break-even.]
<b>[Initial Leverage]</b>	[●] (Reference price Underlying, divided by Ratio, divided by Issue Price)]

<b>[Issue Date/Payment Date]</b>	[●]
<b>[Termination Right of the Issuer]</b>	[Right of the issuer to terminate the outstanding Warrants monthly at the end of the month (Exercise Date) with a notice period of 5 bank working days without giving reasons for repayment. The information to the holders of the Warrants will be published on the official publication channel of the SIX Swiss Exchange.] [●]
<b>Listing</b>	<p>[Application to list on the SIX Swiss Exchange will be filed, the first provisory trading day is [●]]</p> <p>[The product is not listed on a recognised stock exchange. The Issuer offers a secondary market with a maximum bid-ask spread of [●] under normal market conditions.]</p> <p>[●]</p>
<b>Expiry Date</b>	[●]
<b>Last Trading Date</b>	[●]
<b>Clearing house</b>	[SIX SIS Ltd./Euroclear/Clearstream] [●]
<b>Taxes</b>	<p>[For private investors with tax domicile in Switzerland, the income from the product is generally treated as tax-free capital gains. No federal withholding tax is levied. Warrants are not subject to the Federal Turnover Tax in the secondary market. [The Federal Turnover Tax is levied on a possible delivery of the Underlying. The Product may be subject to further withholding taxes or duties, in particular under the rules of FATCA or Section 871(m) U.S. Tax Code or foreign financial transaction taxes. All payments under this Product will be made after deduction of any applicable withholding taxes and duties.] [●]</p> <p>The information above is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of this series of Derivatives. The relevant tax law and practice may change. The Issuer does not assume any liability in connection with the above information. This general information cannot replace the individual investor's consultation with their own tax advisors.</p>
<b>Documentation</b>	<p>[This document is a non-binding English translation of the Endgültige Bedingungen (Final Terms) published in German and constituting the [indicative] Final Terms in accordance with article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The English language translation is provided for convenience only.</p> <p>The binding German version of these [indicative] Final Terms supplements the Base Prospectus approved by [SIX Swiss Exchange] published in German by the Issuer in the version which is effective at the time of issue. [These [indicative] Final Terms constitute a simplified prospectus pursuant to article 5 para. 2 CISA in the version dated 1 March 2013.] Together with the Base Prospectus, these [indicative] Final Terms form the product documentation</p>

for this issue. Except as otherwise defined in these [indicative] Final Terms, capitalised terms used in these [indicative] Final Terms have the meaning given to them in the Base Prospectus. In case of discrepancies between information or the provisions in these [indicative] Final Terms and those in the Base Prospectus, the information and provisions in these [indicative] Final Terms shall prevail. In the event of a listing of the Warrants, the product documentation will be adapted, if and to the extent necessary, in accordance with the requirements of the relevant exchange. Warrants will be issued in the form of uncertificated securities (*Wertrechte*) and registered as book-entry securities (*Bucheffekten*) with [●]. Investors have no right to require the issuance of any certificates or any proof of evidence for the Structured Products.

**These [indicative] Final Terms and the Base Prospectus can be ordered free of charge at Zürcher Kantonalbank, Bahnhofstrasse 9, 8001 Zurich, dept. VRIE, or by e-mail at [documentation@zkb.ch] [●] .] [●]**

### **Information on the Underlying**

[Information to be inserted.]

[Information on the performance of the Underlying is publicly available on [www.bloomberg.com] [●]. [Current annual reports are published on the website of the respective business entity/index provider. [The transferability of the Underlying is conducted in accordance with its respective statutes.]]

### **Notices**

[Any notice by the Issuer in connection with this series of Warrants, in particular any notice in connection with modifications of the terms and conditions will be validly published on the website [https://zkb-finance.mdgms.com/products/warrants/index.html] [●]. The Swiss security code search button will lead you directly to the relevant Warrant. [The notices will be published in accordance with the rules issued by SIX Swiss Exchange for IBL (Internet Based Listing) on the website [https://www.six-exchange-regulation.com/en/home/publications/official-notices.html] [●].] [●]

### **Governing Law / Jurisdiction**

**Swiss Law / Zurich**

**[Insert further details of the product description, if applicable]**

## **2. Profit and Loss Expectation at Maturity**

### **Profit and Loss Expectation at Maturity[/year 1]**

[●]

[Warrants provide an opportunity to profit from changes in the Underlying asset through leverage effect.

[Profit Expectations for Call Warrants are basically unlimited] [The Profit Prospects are limited for Put Warrants and are reached when the price of the Underlying falls to zero.] Loss Expectations are limited to the invested capital.

The value of a Warrant changes more than the value of the Underlying, owing to the leverage effect. The value of a Call/Put Warrant generally falls as the price of the Underlying falls/rises. The value of a Warrant can fall even if the value of the Underlying remains unchanged, because of a lower time value or an unfavourable shift in supply and demand.]

### 3. Material Risks for Investors

#### Issuer Risk

[Obligations under this Warrant constitute direct, unconditional and unsecured obligations of the Issuer and rank pari passu with other direct, unconditional and unsecured obligations of the Issuer. The value of a Warrant depends not only on the performance of the Underlying asset and other developments in the financial markets, but also on the solvency of the Issuer, which may change during the term of these Warrants.] [●]

#### Specific Product Risks

[Warrants entail the risk to lose the initial capital (Issue Price) entirely. They are only suitable for investors who have the requisite knowledge and experience and understand thoroughly the risks connected with an investment in these Warrants and are capable of bearing the economic risks.  
If the Warrants are in a different Currency to that of the Underlying, the investor shall bear all exchange rate risks between the product Currency and the Currency of the Underlying. Warrants do not generate continuous income. If the price of the Underlying rises/falls and/or there is a decrease in volatility, a Call/Put-Warrant usually drops in value and becomes worthless when it expires at the end of its term. The maximum risk is therefore the loss of the amount invested.] [●]

### 4. Additional Terms

#### Modifications

[●]

#### Market Disruptions

[●]

#### Selling Restrictions

**The Selling Restrictions listed in the Base Prospectus apply - [EEA, U.S.A./U.S. persons, Guernsey]. [●]**

#### [Sales: Tel [●]

[SIX Telekurs: .zkb Reuters: ZKBWTS  
Internet: www.zkb.ch/strukturierteprodukte  
Bloomberg: ZKBW <go>] [●]

#### Recording of Telephone conversations

Investors are reminded, that telephone conversations with trading or sales units of the Zürcher Kantonalbank are recorded. Investors, who have telephone conversations with these units consent tacitly to the recording.

#### Further Information

This document constitutes neither an offer nor a recommendation or invitation to purchase financial instruments and can't replace the individual investor's own judgement. The information contained in this document does not constitute investment advice but is intended solely as a product description. An investment decision should in any case be

made on the basis of these Final Terms and the Base Prospectus. Particularly, before entering into a transaction, the investor should, if necessary with the assistance of an advisor, examine the conditions for investment in the Product in consideration of his personal situation with regard to legal, regulatory, tax and other consequences. Only an investor who is aware of the risks of the transaction and has the financial capacity to bear any losses should enter into such transactions.

**[Insert further provisions, if applicable]**

**Material Changes**

[Since the end of the last financial year or the date of the interim financial statements, there have been no material changes in the assets, financial or revenue position of the Issuer [insert if Structured Products have been issued by Zürcher Kantonalbank Finance (Guernsey) Limited: and Zürcher Kantonalbank]]. [●]

**Responsibility for the Final Terms**

Zürcher Kantonalbank, Zurich, [insert if Warrants have been issued by Zürcher Kantonalbank Finance (Guernsey) Limited: and Zürcher Kantonalbank Finance (Guernsey) Limited] assume[s] responsibility for the content of these Final Terms and hereby declare[s] that, to [its] [their] knowledge, the information contained in these Final Terms is correct and no material circumstances have been omitted.

**KEEP-WELL-AGREEMENT BETWEEN ZÜRCHER KANTONALBANK AND ZÜRCHER KANTONALBANK  
FINANCE (GUERNSEY) LIMITED**

# KEEP-WELL AGREEMENT

Agreement dated: May 31, 2010 (this Agreement shall entirely replace the previous Agreement dated as of May 2, 2001) between Zürcher Kantonalbank (the Parent) and Zürcher Kantonalbank Finance (Guernsey) Limited (the Subsidiary).

WHEREAS the Parent owns directly all the capital stock of the Subsidiary and

WHEREAS the Subsidiary plans to incur indebtedness, liabilities and obligations to third parties from time to time for interest rate and currency swap transactions as well as for other financial transactions including but not limited to structured products such as «RUNNERS» and «PROTEINS» and others (all such forms of indebtedness, liabilities and obligations being herein referred to as «Debt»).

NOW, THEREFORE the Subsidiary and the Parent agree as follows:

1. Stock ownership of the Subsidiary. As long as there is any Debt outstanding, the Parent shall directly or indirectly own and hold the legal title to and beneficial interest in all the outstanding shares of stock of the Subsidiary having the right to vote for the election of members of the Board of Directors of the Subsidiary and will not directly or indirectly pledge or in any other way encumber or otherwise dispose of any such shares of stock, unless required to dispose of any or all such shares of stock pursuant to a court decree or order of any government authority which, in the opinion of counsel to the Subsidiary, may not be successfully challenged.

2. Maintenance of a liquidity reserve designated for fulfillment of payment obligations on Debt issued under any law other than German law. The Parent agrees that it shall cause the Subsidiary to maintain a liquidity reserve designated for payment obligations on Debt issued under any law other than German law of at least CHF 1'000'000.00 (Swiss Francs one million) or its equivalent in any other currency, at all times. If the Subsidiary at any time will run short of cash or other liquid assets to meet any payment obligation on its Debt issued under any law other than German law then or subsequently to mature and shall have insufficient unused commitments then the Subsidiary will promptly notify the Parent of the Shortfall and the Parent will make available to the Subsidiary, before the due date of any such payment obligation, funds sufficient to enable it to fulfil any such payment obligation in full as it falls due. The Subsidiary will use the funds made available to it by the Parent solely for the payment at maturity of its Debt issuance under any law other than German law.

3. Waiver. The Parent hereby waives any failure or delay on the part of the Subsidiary in asserting or enforcing any of its rights or in making any claims or demands hereunder.

4. Not a guarantee. This Agreement is not, and nothing herein contained and nothing done pursuant hereto by the Parent shall be deemed to constitute a guarantee, direct or indirect, by the Parent of any Debt or other obligation arising out of a swap or other transaction, indebtedness and liability, of any kind or character whatsoever, of the Subsidiary.

The Subsidiary has undertaken that, whenever it incurs any Debt, it will in advance in the documentation for the borrowing directed to note holders or other lenders properly refer to this agreement and in particular include information substantially in accordance with Schedule I hereto.

5. Modification amendment or termination. This Agreement may be modified, amended or terminated only by the written agreement of the Parent and the Subsidiary, provided, however, that no such modification, amendment or termination shall have any adverse effect upon any holder of any Debt of the Subsidiary outstanding at the time of such modification, amendment or termination. The Parent and the Subsidiary agree that they shall give written notice to each statistical rating agency that has issued a rating in respect of the Subsidiary or any of its obligations, at least 30 days prior to making any modification, amendment or termination of this Agreement.

6. Bankruptcy, liquidation or moratorium. Any rights or obligations which either of the parties has under this Agreement will remain valid and binding notwithstanding any bankruptcy or liquidation of, or moratorium involving, the Subsidiary.

7. Successors. The agreements herein set forth shall be mutually binding upon, and inure to the mutual benefit of, the Parent and the Subsidiary and their respective successors.

8. Governing law. This Agreement shall be governed by **the laws of Switzerland**.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective officers hereunto duly authorised as of the day and year first above written.

Zürcher Kantonalbank, Zürich

Dr. Philipp Halbherr  
Head Investment Banking

Christoph Theler  
Deputy Head Investment Banking

Zürcher Kantonalbank Finance (Guernsey) Limited, St. Peter Port

Dr. Stephanino Isele  
Chairman

Beat Gabathuler  
Vice-Chairman

General

The Subsidiary is directly wholly owned Subsidiary of the Parent.

Keep-Well Agreement

The Subsidiary and the Parent have entered into a keep-well agreement dated as of May 31, 2010 (the «Keep-Well Agreement») and governed by the laws of Switzerland. The following is a summary of certain of the terms of the Keep-Well Agreement, a copy of which is available for inspection in connection the prospectus of any issued structured products and/or Debt.

(i) The Parent will own, directly or indirectly, all the outstanding capital stock of the Subsidiary so long as the Subsidiary has any indebtedness, liabilities or obligations for interest rate or currency swap transactions or for other financial transactions entered into by the Subsidiary with parties other than the Parent (all such forms of indebtedness, liabilities and obligations herein being referred to as «Debt»).

(ii) The Parent agrees that it shall cause the Subsidiary to maintain a liquidity reserve designated for payment obligations on Debt issued under any law other than German law of at least CHF 1'000'000.00 (Swiss Francs one million) or its equivalent in another currency, at all times.

(iii) If the Subsidiary at any time will run short of cash or other liquid assets to meet any payment obligation on its Debt issued under any law other than German law then or subsequently to mature and shall have insufficient unused commitments then the Subsidiary will promptly notify the Parent of the shortfall and the Parent will make available to the Subsidiary, before the due date of any such payment obligation, funds sufficient to enable it to fulfil any such payment obligation in full as it falls due. The Subsidiary will use the funds made available to it by the Parent solely for the payment at maturity of its Debt issuance under any law other German law.

The Keep-Well Agreement provides that it may be modified, amended or terminated by the written agreement of Parent and Subsidiary at any time, provided, however, that no such modification, amendment or termination shall have any adverse effect upon any holder of any Debt of the Subsidiary outstanding at the time of such modification, amendment or termination.

The Parent and the Subsidiary have agreed that they shall give written notice to each statistical rating agency that has issued a rating in respect of the Subsidiary or any of its obligations, at least 30 days prior to making any modification, amendment or termination of the Keep-Well Agreement.

The Keep-Well Agreement is not a guarantee by the Parent of the payment of any indebtedness, liability or obligation of the Subsidiary. Holders of notes or other Debt are not parties to the Keep-Well Agreement. The only parties to the Keep-Well Agreement are the Subsidiary and the Parent. Consequently, the Keep-Well Agreement does not confer to any note holders or holders of other Debt any rights or claims against the Parent. The Keep-Well Agreement will not be enforceable against the Parent by anyone other than the Subsidiary (and/or its liquidator or administrator in the event of bankruptcy or, as the case may be, moratorium). In the event of a breach by the Parent in performing a provision of the Keep-Well Agreement and of the Insolvency of the Subsidiary while any notes or other Debt were outstanding, the remedies of note holders or holders of other Debt could include the acceleration of the Debt (if it has not already matured) and (if the Debt remained unpaid or unless such a proceeding had already been commenced by another creditor for the Subsidiary) the filing as a creditor of the Subsidiary of a petition for the winding-up of the Subsidiary, with a view to the liquidator (appointed by the competent court) pursuing the Subsidiary's rights under the Keep-Well Agreement against the Parent. The granting of a winding-up order would be in the discretion of the court and might be delayed

by the grant of a moratorium order, in which event the Subsidiary's rights against the Parent would be exercisable by the court-appointed administrator and the managing directors of the Subsidiary jointly.

Financial and other information concerning the Parent is provided for background purposes only in view of the importance to the Subsidiary of the Keep-Well Agreement: it should not be treated as implying that the Keep-Well Agreement can be viewed as a guarantee.

## DEFINITIONS

*The following definitions are applicable to all Securities issued under the Base Prospectus and shall be read in conjunction with the Terms and Conditions of the Securities, including the relevant Final Terms related to the relevant Securities. Definitions used in the Final Terms, but not defined or not defined otherwise herein, shall have the meaning given to them in the Final Terms. If a term is neither defined herein nor in the Final Terms, it shall have the meaning in relation to the relevant Securities that corresponds to standard market practice taking into account the concrete features of the relevant Securities.*

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

"**Additional Terms**" has the meaning ascribed to it on the second page of the Base Prospectus.

"**Affiliate**" means an entity that is controlled, directly or indirectly, by an Issuer, any entity that controls, directly or indirectly, an issuer or any entity directly or indirectly under common control with the Issuer. For this purpose "control" means ownership of a majority of the voting power of the entity or Zürcher Kantonalbank.

"**Agent(s)**" means the Calculation Agent, the Paying Agent or any other agent appointed by the relevant Issuer as specified in the relevant Final Terms, or all of them together, subject to a replacement or termination of appointment in accordance with section "Information on the Securities and the Offering—General Terms of the Securities—Agents—Replacement and termination of appointment".

"**American Style**" or "**American**" means a warrant which gives the holder the right, but not the obligation, to buy from the relevant Issuer ("**Call Option**") or sell to the relevant Issuer ("**Put Option**") a specified quantity of a specific Underlying during the term of the warrant up to a specified time at an agreed price ("**Exercise Price**"). If the Terms and Conditions of the Securities provide for Cash Settlement, the closing price of the Underlying on the Exercise Date is relevant for the determination of the Cash Settlement Amount.

"**Barrier Event**" means that during an Observation Period or on the Final Fixing Date the price of an Underlying reaches, exceeds or falls below a specified Barrier - as set out in the relevant Final Terms

"**Base Prospectus**" has the meaning ascribed to it on the first page of the Base Prospectus.

"**Basket**" means in respect of any Underlying, the basket such Underlyings, as specified in the relevant Final Terms, subject to adjustments.

"**Basket Component(s)**" means the component or components of the Basket which may vary during the lifetime of the Securities in accordance with the terms and conditions set out in the relevant Final Terms and this Base Prospectus.

"**Bloomberg**" means Bloomberg Limited Partnership (and any successor thereto).

"**Borrowing Entity**" means the Issuer or any Affiliate(s) of the Issuer or any other entity (or entities) acting on behalf of the Issuer engaged in any borrowing or other transactions in respect of the Issuer's obligations under or in connection with the Securities.

"**Breakage Costs**" means the amount of losses or costs of the relevant Issuer or any of its Affiliates that are or would be incurred in (a) terminating any hedging arrangement or in replacing or (b) providing the relevant Issuer the economic equivalent of the material terms that the relevant Issuer would have had under the Securities but for the occurrence of the relevant event that led to the early termination of the Securities.

"**Business Day**" means in connection with any payment procedure (a) a day on which foreign exchange markets settle payments in the Settlement Currency; (b) if the payment procedure relates to a payment in euro, any day on which Target2 (the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 or any successor thereto) is open; and (c) any other day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are generally open to settle payments in Zurich.

**"Business Day Convention"** means the business day convention specified in the relevant Final Terms (if any) and further described in section "Information on the Securities and the Offering—General Terms of the Securities—Business Day Convention".

**"Calculation Agent"** means the person specified as calculation agent in the relevant Final Terms.

**"Cash Settlement"** means the redemption of the Securities by means of a payment in cash.

**"Cash Settlement Amount"** means the amount defined as such in the Final Terms, expressed as fixed amount, as percentage of the Nominal Value or par value or as an amount to be determined by the relevant Issuer or the Calculation Agent on the basis of a formula. The Cash Settlement Amount will be converted into the Settlement Currency at the Exchange Rate on the Business Day immediately after the Final Fixing Date or, if this day is not a Business Day, the immediately following date that is a Business Day. The Cash Settlement Amount will be rounded to two decimal places, provided that 0.005 is rounded down.

**"Change of Law"** means that, on or after the Issue Date of the Securities (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (a) it has become illegal to hold, acquire or dispose of the underlying relating to the Securities and/or to enter into any hedging or borrowing transactions that the Issuer, the Hedging Entity or the Borrowing Entity would enter into in the normal course of business, or (b) it will incur a materially increased cost, fee, expense or other burden in performing its obligations under the Securities (including, without limitation, any increase in capital charges, decrease in capital charge benefits or other effect on its capital charges or any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

**"CISA"** means the Swiss Federal Act on Collective Investment Schemes (Bundesgesetz über die kollektiven Kapitalanlagen), as the same may be amended from time to time.

**"Clearing System(s)"** has the meaning ascribed to it in section "Information on the Securities and the Offering—General Terms of the Securities—Clearing and Settlement of the Securities".

**"CO"** means the Swiss Code of Obligations (Bundesgesetz betreffend die Ergänzung des Schweizerischen Zivilgesetzbuches (Fünfter Teil: Obligationenrecht)), as the same may be amended from time to time.

**"Commodity"** means, in respect of any Security with a Commodity/Commodities or a Basket of Commodities as Underlying, any commodity, as specified in the relevant Final Terms.

**"Commodity Index"** means, with respect to Securities with a Commodity Index or Commodity Indices as Underlying, the relevant commodity index, as specified in the relevant Final Terms.

**"Composite"** means a Security which is denominated in a currency other than the currency of the Underlying or a Basket Component and there exists no hedging for the benefit of the Holders to take into account the resulting currency risk. In case of a Security qualifying as "Composite", any conversions of market prices for the relevant Underlying or Basket Component into the currency of the relevant Security are made at current Exchange Rates. Unless the description of the Security expressly uses the term "Quanto" or "Quanto Security", all Securities issued under the Base Prospectus which are denominated in a currency other than the currency of the Underlying or a Basket Component do not provide for any hedging for the benefit of the Holders, even if the relevant Securities are not identified as "Composite".

**"Corporate Action"** means an event which has a dilutive or concentrative effect on the value of a Share, such as, without limitation, (a) distributions of unusually high dividends, bonuses or other cash distributions, as well as dividends which are not paid in accordance with the regular dividend policy or which are not declared as regular dividends by the relevant Issuer of the relevant Share (e.g., special dividends or anniversary bonuses), (b) the granting of subscription rights, (c) capital increases from company funds, (d) capital reductions through the reduction of the par value of the Shares for purposes of returning share capital to the shareholders, (e) a split or reverse split of the Shares, (f) the spin-off of a part of the company in a manner that creates an independent entity or if that part of the business is acquired by a third-party business or (g) another event with similar effect on the value of a Share.

"**Coupon**" means the interest payable on the Nominal Value of the Securities specified in the relevant Final Terms (if any).

"**Coupon Date(s)**" means the coupon date(s) specified in the relevant Final Terms (if any).

"**CRS**" means the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development, and any local implementing legislation, regulations and guidance issued thereunder.

"**Currency Unit**" means the lowest amount of a currency that is available as legal tender in the country or countries of such currency.

"**Day Count Fraction**" means, unless otherwise specified in the relevant Final Terms, the day count fraction 30/360. This means that a year with 360 days and 12 months of 30 days each will be applied. The 31<sup>st</sup> day of a month is treated as the 30<sup>th</sup>. February also counts with 30 days, unless the last day of the determination period is the last day of February.

"**Delivery Expenses**" means all expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other Taxes or duties, that arise from the delivery and/or transfer of any Underlying, Basket Component or other underlying constituent or component of the Securities.

"**Digital Option**" or "**Binary Option**" means an option which has two payout profiles. In the case of a "Cash-or-Nothing Warrant", a fixed amount will be paid if the Underlying at the end of the term (in the case of an "American Style" warrant, during the term) is above (Digital Call) or below (Digital Put) a predefined exercise price, otherwise it expires worthless. An "Asset-or-Nothing Warrant" differs in that instead of the payment of a fixed amount, the delivery of the Underlying or the payment of the price of the Underlying is made. In the case of a "One-touch Warrant", it depends on whether it is "in-the-money" at specified points in time during the term of the product.

"**Early Redemption**" means a redemption of the Securities following the occurrence of an Early Redemption Event.

"**Early Redemption Amount**" means, in respect of each Security, an amount in the Settlement Currency/-ies to be determined by the relevant Issuer and/or the Calculation Agent on the basis of the Market Value of the Securities (including any accrued but unpaid interest) less any Breakage Costs, taking into account the event that led to the early termination, determined by the relevant Issuer and/or the Calculation Agent in its sole and absolute discretion having regard to standard market practices.

"**Early Redemption Date**" has the meaning ascribed to it in section "Information on the Securities and the Offering—General Terms of the Securities—Early Termination".

"**Early Redemption Event**" means a Change of Law, a Tax Event, Increased Costs of Hedging, a Hedging Disruption, Increased Costs of Collateralization, a Permanent Market Disruption, a Non-Adjustment Event and any other early redemption event specified in the relevant Final Terms.

"**European Style**" or "**European**" means a warrant which gives the Holder of a specified number of warrants the right, but not the obligation, to buy from ("Call Option") or sell to the relevant Issuer ("Put Option") a specified quantity of a specified Underlying at the end of the term of the warrant at an agreed price ("Exercise Price"). If the Terms and Conditions of the Securities provide for Cash Settlement, the closing price of the Underlying on the Exercise Date is relevant for the determination of the Cash Settlement Amount.

"**Exchange Rate**" means, with respect to the Underlying and any relevant date, the exchange rate on or around the specified time on that date between the Reference Currency and the Settlement Currency (indicated as a number of units or fractions of units of the Reference Currency which show the corresponding value of a unit of the Settlement Currency), which will be determined by the relevant Issuer and/or the Calculation Agent in accordance with sources which it considers, in its sole and absolute discretion, to be appropriate.

"**Exercise Agent**" means the person specified as exercise agent in the relevant Final Terms.

"**Exercise Date**" means (a) with respect to Securities which do not provide for an automatic exercise, the Business Day on which the exercise notice to the relevant Issuer is effective in accordance with section "Information on the Securities and the Offering–Additional Terms with respect to specific categories of Securities–Additional terms for Warrants" and (b) with respect to Securities which provide for an automatic exercise, the maturity date.

"**Expenses**" means all expenses, costs, Taxes or other payments including, without limitation, all depository, custodial, registration, transaction and exercise charges and all stamp, issues, registration or securities transfer or other similar Taxes incurred by the relevant Issuer and/or any of its Affiliates in respect of the relevant Issuer's obligations under the Securities.

"**FATCA**" means Sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended (enacted in 2010 as part of the Foreign Account Tax Compliance Act), and the regulations and other guidance promulgated thereunder, including any intergovernmental agreements concluded between the United States and any other jurisdiction, and any such other jurisdiction's implementing legislation, regulations and guidance related thereto.

"**Final Fixing Date**" means, subject to the occurrence of a Market Disruption Event, the calendar day specified in the relevant Final Terms or, if this day is not an Underlying Business Day, the next Underlying Business Day.

"**Final Fixing Level**" or "**Final Fixing Value**" means, subject to any amendments in accordance with the Terms and Conditions of the Securities, an amount equal to the Reference Value determined by the Calculation Agent on the Final Fixing Date, regardless of any later reported corrections.

"**Final Terms**" has the meaning ascribed to it on the first page of the Base Prospectus.

"**FinSA**" means the Swiss Federal Financial Services Act of 15 June 2018, as amended from time to time

"**FinSO**" means the Swiss Financial Services Ordinance of 6 November 2019, as amended from time to time

"**FINMA**" means the Swiss Financial Market Supervisory Authority.

"**FISA**" means the Swiss Federal Act on Intermediated Securities (Bundesgesetz über Bucheffekten), as the same may be amended from time to time.

"**Fixed-end Securities**" has the meaning ascribed to it in section "Information on the Securities and the Offering–General Terms of the Securities–Term of Securities; Capital Protection".

"**FX Disruption Events**" means the occurrence of an event that makes it impossible for the Issuer and/or its Affiliates to either (a) convert the Relevant Currency into the Settlement Currency or (b) deliver the Settlement Currency from accounts within the Relevant Country to accounts outside such jurisdiction or (c) deliver the Relevant Currency between accounts within the Relevant Country to a person that is a non-resident of that jurisdiction.

"**General Terms of the Securities**" has the meaning ascribed to it on the second page of the Base Prospectus.

"**Global Notes**" has the meaning ascribed to it in section "Information on the Securities and the Offering–General Terms of the Securities–Form of the Securities".

"**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (a) enter into any transaction it deems necessary to hedge price risks of issuing and performing any of its or (if different) the Issuer's obligations with respect to the Securities, or (b) realize, recover or remit the proceeds of any such transaction.

"**Hedging Entity**" means the Issuer or any of its Affiliates or any other entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations under or in connection with the Securities.

"**Highest Amount**" or "**Cap**" means, if applicable, the maximum Cash Settlement Amount specified in the relevant Final Terms, which is owed in respect of the relevant Security on the Redemption Date (increased, if applicable, by a bonus amount).

**"Highest Amount Factor"** means, if applicable, the amount in the Final Terms specified as a percentage of the nominal amount of the relevant Securities which on the Redemption Date is the maximum Cash Settlement Amount which is owed (increased, if applicable, by a bonus amount).

**"Holder(s)"** has the meaning ascribed to it on the second page of the Base Prospectus.

**"Illiquidity Event"** means a low or missing trading volume in the Underlying or the difficulty to buy and/or sell the Underlying in a short period of time without its price being affected.

**"Increased Costs of Collateralization"** means that the Borrowing Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of Tax, expense, fee or other cost (other than brokerage commissions) to acquire, hold, substitute or maintain any transaction(s) or asset(s) it deems necessary to borrow in order to collateralize the Securities provided such collateralization is applicable.

**"Increased Costs of Hedging"** means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of Tax, expense, fee or other cost (other than brokerage commissions) to (a) enter into any hedging transactions in connection with the Securities or (b) realize any proceeds of any such transactions, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be regarded as an Increased Cost of Hedging.

**"Index"** means, in respect of any Security with an index as Underlying, each index specified in the relevant Final Terms and published by the relevant Index Sponsor.

**"Index Sponsor"** means the index sponsor specified in the relevant Final Terms (if any).

**"Indices"** means, in respect of any Security with several indices or a Basket of indices as Underlying, the indices specified in the relevant Final Terms and published by the relevant Index Sponsor(s).

**"Information on the Underlyings"** has the meaning ascribed to it on the second page of the Base Prospectus.

**"Initial Fixing Date"** means, subject to the occurrence of a Market Disruption Event, the calendar day specified in the relevant Final Terms or, if this day is not a Business Day, the next Business Day.

**"Initial Fixing Level"** or **"Initial Fixing Value"** means, subject to any amendments in accordance with the Terms and Conditions of the Securities, an amount equal to the Reference Value determined by the Calculation Agent on the Initial Fixing Date, subject to any corrections published later.

**"Intermediated Securities"** has the meaning ascribed to it in section "Information on the Securities and the Offering—General Terms of the Securities—Form of the Securities".

**"Investor(s)"** has the meaning ascribed to it on the second page of the Base Prospectus.

**"Issue Date"** means the issue date of the Securities specified in the relevant Final Terms.

**"Issuer(s)"** means Zürcher Kantonalbank and/or Zürcher Kantonalbank Finance (Guernsey) Limited, as specified in the relevant Final Terms.

**"Issuer Event of Default"** means the occurrence of any of the following events: (a) there is a default for more than 30 calendar days in any payment due in respect of the Securities; or (b) any order is made by any competent court or authority in any jurisdiction or any resolution is passed by the relevant Issuer (i) for the dissolution or winding-up of the Issuer, or (ii) for the appointment of a liquidator, receiver or similar person with respect to the Issuer or of all or a substantial part of the assets of the Issuer, or (iii) with analogous effect for the relevant Issuer, it being understood that anything in connection with a solvent reorganization, reconstruction, consolidation, amalgamation, merger or similar arrangement shall not constitute an event of default; or (c) the relevant Issuer is generally unable or admits in writing its general inability to pay its debts as they fall due or otherwise acknowledges its insolvency. For the avoidance of doubt, any postponement or other action taken pursuant to and in accordance with section "Information on the Securities and the Offering—General Terms of the Securities—Extraordinary Events" or relating to any Market Disruption

Event (as defined in these General Terms of the Securities) or otherwise in accordance with the Terms and Conditions of the Securities shall not constitute an Issuer Event of Default.

**"Keep-well Agreement"** has the meaning ascribed to it in section "Information on the Securities and the Offering–General Terms of the Securities–Security Arrangements".

**"Knock-in Level"** means the value specified in the relevant Final Terms which must be reached during the Observation Period that the exercise rights under a down-and-in option component or an up-and-in option component of certain categories of Securities can be exercised.

**"Knock-Out Level"** means the value specified in the relevant Final Terms which must be reached during the Observation Period that the exercise rights under a down-and-out option component or an up-and-out option component of certain categories of Securities can be exercised.

**"Lead Manager"** means the lead manager specified in the relevant Final Terms.

**"Main Depository"** has the meaning ascribed to it in section "Information on the Securities and the Offering–General Terms of the Securities–Form of the Securities".

**"Market Value"** means the market value of the Securities less any Breakage Costs as determined by the relevant Issuer and/or the Calculation Agent in its sole and absolute discretion having regard to standard market practices.

**"Minimum Coupon"** means, if applicable, a minimum interest, payable on the Nominal Value of the Securities. The Minimum Coupon provides a minimum return per Security for the period between the Issue Date and the Redemption Date.

**"Minimum Redemption Amount"** or **"Floor"** means, if applicable, the minimum Cash Settlement Amount specified in the relevant Final Terms which on the Redemption Date is owed in respect of the relevant Securities (increased, if applicable, by a bonus amount).

**"Minimum Repayment Factor"** means, if applicable, the factor specified in the relevant Final Terms specified as a percentage of the nominal amount of the relevant Securities which on the Redemption Date is the minimum Cash Settlement Amount payable to the Holders (increased, if applicable, by a bonus amount).

**"Nominal Value"** means, subject to possible amendments in accordance with the Terms and Conditions of the Securities, the nominal value of each of the Securities.

**"Non-Adjustment Event"** means that in the reasonable determination of the Issuer and/or the Calculation Agent it is impracticable or impossible to make an adjustment to the Terms and Conditions of the Securities pursuant to section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to Shares", section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to Non-Equity Securities", section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to interest rates or reference rates", section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to an Index or Indices", section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to Commodities", section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to FX rates", section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to futures contracts" or section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to fund units".

**"Observation Period"** means, in relation to any Series, the period of time from (and including) the Issue Date to (but excluding) the first Observation Time, and, if several Coupons are paid, each period of time from (and including) the relevant interest payment date to (but excluding) the next following interest payment date and, if interest is to be calculated for a period of time which does not end on the relevant interest payment date (and does not include it), then the period of time from an including the immediately preceding interest payment date (or if none, from the Issue Date) until (and excluding) the relevant payment date.

**"Observation Time(s)"** means the Observation Time(s) specified in the relevant Final Terms.

"**Open-end Securities**" has the meaning ascribed to it in section "Information on the Securities and the Offering–General Terms of the Securities–Term of Securities; Capital Protection".

"**Paying Agent**" means the person specified as paying agent in the relevant Final Terms.

"**Payment Date**" means the payment date of the Securities specified in the relevant Final Terms (if any).

"**Permanent Market Disruption**" means, in respect of a Commodity or futures contract, any one or more of the events set out in the definitions of "Market Disruption Event" in section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to Commodities" or section "Information on the Securities and the Offering–Additional Terms with respect to Securities linked to futures contracts", if such event is in the determination of the Issuer and/or the Calculation Agent permanent.

"**Physical Settlement**" means the redemption of the Securities by means of delivery of the Underlying, Basket Components or other underlying constituents or components of the Securities at expiry or the agreement to deliver the Underlying, Basket Component or other underlying constituents or components of the Securities deliverable in accordance with the relevant Final Terms upon exercise of the Securities, it being understood that (a) instead of any fractions of the Underlying, Basket Component(s) or other underlying constituents or components of the Securities which are to be delivered the relevant Issuer will make a cash payment to the Holder corresponding to the value of such fractional amounts and (b) it is not possible to consolidate fractional amounts originating from several Securities into deliverable units of the respective Underlying, Basket Component(s) or other underlying constituents or components of the Securities unless the holdings of the respective Holder are aggregated by the Calculation Agent (such aggregation to be made in the sole and absolute discretion of the Calculation Agent).

"**Primary Listing**" means the primary listing of a participating security, a bond or a Securities on an official exchange.

"**Quanto**" or "**Quanto Security**" means a Security which is denominated in a currency other than the currency of the Underlying or a Basket Component and there does exist a hedging for the benefit of the Holders to take into account the resulting currency risk, such hedging to have the effect that the redemption methods are modified in such way that a change in the Exchange Rate between the relevant currencies does not have any impact on the redemption but just on the relative performance of the Underlying in its Reference Currency.

"**Redemption Amount**" means the ordinary redemption amount specified in the relevant Final Terms (if any).

"**Reference Currency**" means the reference currency specified in the relevant Final Terms.

"**Reference Value**" means, with respect to any particular day, subject to any amendments in accordance with the Terms and Conditions of the Securities, an amount (to be considered a monetary equivalent in the Settlement Currency or Reference Currency) equal to the closing price of the Underlying, Basket Component or other underlying constituent or component of the Securities, as reported by the Related Exchange and determined by the Calculation Agent.

"**Registration Document**" means the Registration Document dated 25 June 2022 for Debt Instruments (excluding Derivatives) and for Derivatives of Zürcher Kantonalbank and Zürcher Kantonalbank (Guernsey) Limited (as supplemented from time to time).

"**Related Exchange**" means (a) the exchange(s) or quotation system(s) on which the relevant Underlying, Basket Component or other underlying constituents or components of the Securities are traded; (b) any successor to or substitute of such exchange(s) or quotation system(s) referred to in (a) (provided that the relevant Issuer or the Calculation Agent has determined that the relevant exchange(s) or quotation system(s) shall qualify as successor or substitute exchange(s) or quotation system(s)); or (c) the exchange(s) or quotation system(s) specified in the relevant Final Terms.

"**Relevant Country**" means, with respect to any currency, the country or countries which use such currency as legal tender.

"**Relevant Currency**" means the currency in which the Underlying is trading on the Related Exchange.

"**Relevant Stock Exchange**" means the stock exchange where the Securities are listed, if applicable, as set out in the relevant Final Terms.

"**Review Body**" has the meaning given on the first page of the Base Prospectus

"**Security**" or "**Securities**" has the meaning ascribed to it on the first page of the Base Prospectus.

"**Series**" has the meaning ascribed to it on the second page of the Base Prospectus.

"**Settlement**" means either Cash Settlement or Physical Settlement, as specified in the relevant Final Terms.

"**Settlement Currency/-ies**" means the settlement currency/-ies specified in the relevant Final Terms, provided that if the Final Terms do not provide for a specific settlement currency/-ies, the settlement currency shall be the currency of the relevant Securities.

"**Settlement Date**" or "**Redemption Date**" means the calendar day specified in the relevant Final Terms on which the Cash Settlement or the Physical Settlement, as applicable, has to be made. For the avoidance of doubt, the Settlement Date or Redemption Date can, in particular for warrants, also be specified as a number of calendar days following the Exercise Date.

"**Settlement Disruption Event**" means an event beyond the control of the Issuer and/or the Paying Agent as a result of which the Issuer and/or the Paying Agent cannot make (a) a payment and/or (b) a delivery of one or more asset(s), in each case to the relevant Clearing System or intermediary as and when such payment or delivery is due to be made.

"**Share**" means, in respect of any Security with a Share/Shares or a Basket of Shares as Underlying, each share, depository receipt, participation certificate (Partizipationsschein), profit participation certificate (Genussschein) or any other equity or equity related security or unit of an investment fund, as specified in the relevant Final Terms.

"**SIX**" means SIX Swiss Exchange AG.

"**SIX SIS**" means SIX SIS AG, Olten, Switzerland, or any successor thereof.

"**Structured Product**" has the meaning ascribed to it on the first page of the Base Prospectus.

"**Substitute Issuer**" has the meaning ascribed to it in section "Information on the Securities and the Offering–General Terms of the Securities–Changes with regard to the Issuer".

"**Summary**" has the meaning ascribed to it in section "Summary of this Base Prospectus".

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Tax Event**" means any of the following, provided, that such obligation cannot be avoided by the Issuer taking reasonable measures (other than the substitution of the Issuer) available to it: (a) that the Issuer on the occasion of a payment or delivery due under the Securities, has or will become obliged to pay additional amounts as a result of (i) any change in, or amendment to, the laws or regulations of any jurisdiction in which the Issuer is or becomes subject to tax or any authority thereof or therein having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; or (b) any amount is or will be required to be deducted or withheld, including under FATCA or 871(m), and this results, or would result, in the Issuer receiving amounts that are smaller than the Issuer would have received had no such withholding been imposed.

"**Terms and Conditions of the Securities**" has the meaning ascribed to it on the second page of the Base Prospectus.

"**Trading Day**" means any day that is a scheduled trading day of the Related Exchange, subject to the occurrence of a Market Disruption Event.

**"Uncertificated Securities"** has the meaning ascribed to it in section "Information on the Securities and the Offering—General Terms of the Securities—Form of the Securities".

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

**"Underlying(s)"** has the meaning ascribed to it in section "Information on the Securities and the Offering—Information on the Underlyings".

**"Value of the Certificate"** means, if applicable, the value of the Security as determined by the Calculation Agent in its reasonable discretion in accordance with the formula set out in the relevant Final Terms.

**"Value of the Strategy"** means, if applicable, the sum of the value/spot price of all Basket Components contained in the Basket at a specific point in time as determined by the Calculation Agent in its reasonable discretion in accordance with the formula set out in the relevant Final Terms.

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

## **Responsibility Statement**

Zürcher Kantonalbank, having its registered office at Bahnhofstrasse 9, 8001 Zurich, Switzerland, accepts responsibility for the information contained in the Base Prospectus and declares that, to its knowledge, the information contained in the Base Prospectus is accurate and does not omit any material circumstances.

Zürcher Kantonalbank Finance (Guernsey) Limited, having its registered office at Bordage House, Le Bordage, St. Peter Port, Guernsey GY1 1BU, accepts responsibility for the information contained in the Base Prospectus and declares that, to its knowledge, the information contained in the Base Prospectus, to the extent it relates to Zürcher Kantonalbank Finance (Guernsey) Limited, is accurate and does not omit any material circumstances.

## Incorporation By Reference

The following documents shall be incorporated or shall be deemed to be incorporated into, and form part of, this Base Prospectus (the "**Incorporation Documents**"). Only those parts of the Incorporation Documents which are set out in the table below shall be incorporated or shall be deemed to be incorporated into, and form part of, the Base Prospectus. The other parts of the Incorporation Documents which are not set out in the table below are expressly not incorporated into, and do not form part of, the Base Prospectus.

Document	Information incorporated by reference	Place of publication
Issuance Program dated 12 April 2010 for Derivatives	Part III.D. Derivative Terms (pp. 37 to 48) and Part IV. Information about the Underlyings (pp. 50 to 57)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Emissionsprogramm vom 12. April 2011 für Derivate	Teil III.D. Derivatebedingungen (S. 44 bis 57) und Teil IV. Angaben zu den Basiswerten (Seite 60 bis 69)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Emissionsprogramm vom 12. April 2012 für Derivate	Teil III.E. Derivatebedingungen (S. 29 bis 38) und Teil IV. Angaben zu den Basiswerten (Seite 40 bis 46)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Emissionsprogramm vom 15. April 2013 für Derivate	Teil III.E. Derivatebedingungen (S. 29 bis 38) und Teil IV. Angaben zu den Basiswerten (Seite 40 bis 46)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Issuance Program dated 15 April 2014 for Derivatives	Part III.E Derivative Terms (pp.33.to 41) and Part IV. Information about the Underlyings (pp. 43 to 48)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Issuance Program dated 15 April 2015 for Derivatives	Part III.E. Derivative Terms (pp. 33 to 41) and Part IV. Information about the Underlyings (pp. 43 to 48)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Issuance Program dated 15 April 2016 for Derivatives	Part III.E. Derivative Terms (pp. 31 to 40) and Part IV. Information about the Underlyings (pp. 41 to 47)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Issuance Programme dated 17 April 2017 for Derivatives	Part III.E. Derivative Terms (pp. 31 to 40) and Part IV. Information about the Underlyings (pp. 41 to 47)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Issuance Programme dated 17 April 2018 for Derivatives	Part III.E. Derivative Terms (pp. 31 to 39) and Part IV. Information about the Underlyings (pp. 41 to 47)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Issuance Programme dated 15 April 2019 for Derivatives	Part III.E. Derivative Terms (pp. 32 to 40) and Part IV. Information about the Underlyings (pp. 42 to 47)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Base Prospectus dated 15 April 2020 for Structured Products	Parts "B.-K. General and Additional Terms of the Securities (pp. 37 to 70)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Base Prospectus dated 16 November 2020 for Structured Products	Parts "B.-K. General and Additional Terms of the Securities (pp. 37 to 70)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>
Base Prospectus dated 16 November 2021 for Structured Products	Parts "B.-K. General and Additional Terms of the Securities (pp. 51 to 95)	<a href="http://www.zkb.ch/strukturierteprodukte">http://www.zkb.ch/strukturierteprodukte</a>

In addition, the Registration Document forms an integral part of this Base Prospectus. The Registration Document has been published on the website <http://www.zkb.ch/strukturierteprodukte> (or any successor or substitute thereto).

## Selling Restrictions

### A. In general

The Securities are intended for an offering to the public in Switzerland. The relevant Issuer has not taken any action and will not take any action to permit the public offer, the holding or the distribution of the offering documentation with respect to the Securities in any jurisdiction outside Switzerland. The delivery of this Base Prospectus or other issuance documentation and the offer of the Securities may be restricted in certain countries by legal requirements. Persons which want to buy Securities are hereby requested by the relevant Issuer to verify and adhere to the then applicable restrictions.

### B. Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the European Economic Area and the United Kingdom (each, a "Relevant State"), each Issuer has represented and agreed that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Securities to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); subject to obtaining the prior consent of the Issuer or the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, in case of United Kingdom means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**").

### C. United Kingdom

An invitation to engage in investment activity (within the meaning of Section 21 of the FSMA) was / is only communicated or prompted in connection with the issuing or sale of Securities in conditions in which Section 21(1) of the FSMA does not apply to the issuer; furthermore, all applicable provisions of the FSMA with regard to all activities in connection with Securities conducted within or from the United Kingdom or in which the latter is otherwise involved were / are complied with.

In relation to Securities with a term of less than one year, it should be noted that no Securities are offered or sold except to persons whose normal business activity is to purchase, hold, manage or sell Securities in accordance with the purpose of their business (as principal or agent) or where it can reasonably be assumed that they acquire, hold, manage or sell investments (as principal or agent) for their own business purposes, since the issuing of Securities would otherwise constitute a violation by the issuer of Section 19 of the Financial Services and Markets Act of 2000 (the "FSMA").

### D. United States of America

The Securities have not been and will not be registered under the Securities Act of 1933 (the "Securities Act") in its current form and trading in the Securities has not been and will not be approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act (the "**Commodity Exchange Act**"). The Securities may not, directly or indirectly, be offered, sold, resold, delivered or traded at any time in the U.S.A. or to or for account of U.S. persons. Securities may not be exercised or redeemed for the benefit of a U.S. person or a person in the U.S.A. In this context, "U.S.A."

means the United States of America (the states and the District of Columbia), its territories and possessions and other sovereign territory and "U.S. persons" means "U.S. persons" as defined in Rule 902 of Regulation S under the Securities Act, as well as persons not falling under the definition of "Non-United States Persons" in accordance with Section 4.7 of the CFTC regulations.

#### **E. Bailiwick of Guernsey**

Securities issued by the Issuer Zürcher Kantonalbank Finance (Guernsey) Limited have not and will not be sold to persons in the Bailiwick of Guernsey.

## GENERAL INFORMATION

### I. FORM OF DOCUMENT

This document, including all information incorporated by reference herein or otherwise forming part of this Base Prospectus, constitutes a base prospectus according to article 45 of the FinSA. Final Terms will be prepared in respect of the Securities and will contain the information which is to be determined at the time of the individual issue of Securities under the Base Prospectus.

### II. PUBLICATION

The Base Prospectus has been published on the website of Zürcher Kantonalbank at <http://www.zkb.ch/strukturierteprodukte> (or a successor or replacement address thereto). In case of admission to trading of Securities on a regulated market of a stock exchange, the Base Prospectus will be published in accordance with the rules of such stock exchange.

Final Terms, together with any translations thereof (if any), may be published on the website of Zürcher Kantonalbank at <https://www.zkb.ch/finanzinformationen> (or a successor or replacement address thereto). In case of admission to trading of Securities on a regulated market of a stock exchange, Final Terms will also be published in accordance with the rules of such stock exchange.

The Base Prospectus and the Final Terms will also be available at the registered office of each of the Issuers.

### III. AUTHORISATION

The issue of Securities on the basis of the Base Prospectus has been approved by the appropriate corporate bodies of both Issuers.

### IV. THIRD PARTY INFORMATION

Where the Base Prospectus contains information obtained from third parties, the Issuers confirm that such information was reproduced accurately, and as far as the Issuers are aware and are able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### VII. AVAILABILITY OF DOCUMENTS

So long as any of the Securities are outstanding copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the offices of Zürcher Kantonalbank and Zürcher Kantonalbank Finance (Guernsey) Limited:

- i. the Base Prospectus (together with any supplement including any Final Terms hereto);*
- ii. all documents which are also an integral part of this Base Prospectus as set out in the section "Incorporation by Reference".*

Copies of the documents referred to above (other than the Base Prospectus, copies of which shall be maintained in printed format, for free distribution, until all Securities issued under the Base Prospectus have been redeemed) and information which refers to sources such as Bloomberg shall also be maintained in printed format, for free distribution, at the offices of Zürcher Kantonalbank, for a period of twelve months after the publication of the relevant document or information, as the case may be. In addition, any annual and quarterly reports of Zürcher Kantonalbank are published on the internet on the website <https://www.zkb.ch> or a successor or replacement address thereto notified to the Holders by way of publication on <https://www.zkb.ch/finanzinformationen>.

**Zürcher Kantonalbank**

**Zürcher Kantonalbank Finance (Guernsey) Limited**

16 November 2022