

## BASE PROSPECTUS

### ARGENTUM CAPITAL S.A.

*(a public limited liability company (société anonyme) incorporated under the laws of Luxembourg with its registered office at 51 Avenue J.-F. Kennedy, L-1855 Luxembourg, registered with Registre de commerce et des sociétés, Luxembourg under number B.182.715 and subject to the Securitisation Act 2004) (the “Company”)*

### Secured Repackaged Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Base Prospectus pursuant to the Secured Note Programme of the Company

This document is a base prospectus (this “**Base Prospectus**”) that has been approved by the Central Bank of Ireland (the “**Central Bank**”) as competent authority under the Prospectus Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the “**Prospectus Directive**”). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Base Prospectus is valid for one year and may be supplemented from time to time in accordance with the Prospectus Directive. It should be read together with (i) any supplements to it from time to time, (ii) the information incorporated by reference (see the section of this Base Prospectus entitled “*Documents Incorporated by Reference*”), including such information incorporated from the Company’s base prospectus in relation to its Secured Note Programme (the “**Programme**”) dated 4 September 2015 (the “**Secured Note Programme Base Prospectus**”) and (iii) in relation to any particular Series (as defined below), the Final Terms relating to such Series (as defined below).

This Base Prospectus is available on the Irish Stock Exchange’s website ([www.ise.ie](http://www.ise.ie)).

The Company is subject to the Luxembourg act dated 22 March 2004 on securitisation, as amended (the “**Securitisation Act 2004**”). Under the Securitisation Act 2004, the Company, as a regulated entity within the meaning of the Securitisation Act 2004, is entitled to issue securities to the public on an ongoing basis. The Company has established the Programme for the issuance of secured notes (“**Notes**”) pursuant to which it may from time to time issue series of Notes (each, a “**Series**”), in one or more classes (each, a “**Class**”) and tranches (each, a “**Tranche**”).

This Base Prospectus contains information on certain types of Notes, which may be issued as a Series by the Company from time to time acting in respect of a compartment (a “**Compartment**”) created by the board of directors of the Company (the Company in such capacity, the “**Issuer**”) in respect of such Series. Each Series of Notes may comprise multiple Classes. The Issuer will purchase assets and enter into other contractual arrangements using the proceeds of the issue of a Series of Notes (in respect of such Series, the “**Mortgaged Property**”) which, together with the Issuer’s liabilities in respect of such Notes, will be allocated to the Compartment in respect of such Series and will be segregated from the Company’s other assets and liabilities and from the assets and liabilities allocated to any other compartments created by the Company. The Mortgaged Property is in principle exclusively available to satisfy the rights of the holders of the Notes of a Series and the rights of the other creditors whose claims have arisen as a result of the creation, the operation or the liquidation of the relevant Compartment, as contemplated by the articles of association of the Company (the “**Articles**”). References in this Base Prospectus to Notes shall be to Notes of a Series contemplated under this Base Prospectus, unless the context requires otherwise.

The Notes of a Series shall be linked to particular assets purchased with the issue proceeds of such Notes (the “**Original Collateral**”) and each Class of Notes of such Series may be fund-linked, equity-linked, equity index-linked or certificate-linked. While each Class of Notes of a Series shall be linked to the same type of Original Collateral, such Class may be linked to (a) a Fund Swap Transaction referencing the performance of Catella Hedgefond, SEK retail class (ISIN: SE0001131335; Bloomberg: CATHEDG SS) (the “**Fund**”), (b) an Equity Swap Transaction referencing the performance of a basket comprising a single share or multiple shares (the “**Class Equity Basket**”) in respect of such Class), (c) an Equity Swap Transaction referencing the performance of a basket comprising a single equity index or multiple equity indices (the “**Class Equity Index Basket**”) in respect of such Class) or (d) the gearing certificates issued by UBS AG (the “**Class Equity Original Collateral**”) in respect of such Class). Certain risks relating to the Notes of a Series and an explanation as to the nature of such linkages to the Original Collateral and the Fund, the Class Equity Basket, the Class Equity Index Basket or the Class Equity Original Collateral (as applicable) are set out below, in particular in the sections of this Base Prospectus entitled “*Risk Factors*”, “*Transaction Description*” and “*Questions and Answers*”.

Claims of the Noteholders will be limited in recourse to the Mortgaged Property for the relevant Series which includes, among other things, (i) the Original Collateral; and (ii) the rights of the Issuer in respect of each Class under (a) the Asset Swap Transaction, (b) the Fund Swap Transaction, (c) the Equity Swap Transaction and/or (d) the Class Equity Original Collateral, as the case may be, with the claims in respect of each Class of Notes ranking *pari passu* with one another (see “*Risk Factors - Contracting on a limited recourse basis*” and “*Risk Factors - Risks relating to Notes of a Series - Limited recourse obligations*” on pages 22 and 27 of the Secured Note Programme Base Prospectus, together with sections of this Base Prospectus entitled “*Risk Factors*”, “*Transaction Description*” and “*Questions and Answers*”).

A separate Final Terms document (in respect of the relevant Notes, the “**Final Terms**”) will be prepared in respect of each issuance of Notes and will set out the specific details of those Notes. For example, the relevant Final Terms will specify the issue date, the

maturity date, the Original Collateral and the Fund, the Class Equity Basket, the Class Equity Index Basket or the Class Equity Original Collateral (as applicable) to which the relevant Notes are linked (as applicable).

Noteholders, by subscribing for Notes, expressly accept, and shall be deemed to be bound by, the provisions of the Securitisation Act 2004 and, in particular, the provisions on limited recourse, non-petition, subordination and priority of payments and deliveries.

Application has been made to the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) for Notes issued during the 12 months from the date of this Base Prospectus to be admitted to the Official List of the Irish Stock Exchange (“**Official List**”) and to trading on its regulated market. Such market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (“**MIFID**”). Application has also been made for Notes to be admitted to trading and listed on the regulated market of NASDAQ OMX Stockholm AB (the “**Stockholm Stock Exchange**”).

Any person (an “**Investor**”) intending to acquire or acquiring any Notes from any person (an “**Offeror**”) should be aware that, in the context of an offer of securities to the public as defined under the Prospectus Directive, the Issuer may be responsible to the Investor for this Base Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each European Economic Area Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

Each Class of Notes will be issued in registered form and will be represented by a Global Certificate.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities laws of any state or other jurisdiction of the United States, and the Issuer is not and will not be registered under the United States Investment Company Act of 1940, as amended. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S under the Securities Act) or (b) not a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are Non-United States persons).

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

This Base Prospectus contains references to credit ratings granted by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”), Fitch Ratings Limited (“**Fitch**”) and Moody’s Investors Service Ltd (“**Moody’s**”). Each of S&P, Fitch and Moody’s are established in the European Union and are registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A rating is not a recommendation to buy, sell or hold a security and may be subject to revision or withdrawal at any time by the assigning rating agency. There can be no assurance that the assigning rating agency will continue to monitor its rating during the life of the Notes or that such rating may not be downgraded or withdrawn.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Any websites referred to in this document do not form part of this Base Prospectus.

Prospective investors should be aware of the risks involved in investing in Notes (see the section of this Base Prospectus entitled “*Risk Factors*”).

Dealer

**CREDIT SUISSE INTERNATIONAL**

The date of this Base Prospectus is 20 June 2016.

This Base Prospectus has been prepared for the purpose of providing information with regard to the Issuer and certain types of Notes, which may be issued pursuant to the Programme. The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained:

- (a) in the “*Description of Credit Suisse International*” section of this Base Prospectus has been extracted from information published by Credit Suisse International, save for the reference to the exchange(s) on which Credit Suisse International has certain securities listed which has been extracted from the Bloomberg page for such entity;
- (b) in the “*Description of the Equity Original Collateral Obligor*” and “*Description of the Class Equity Original Collateral*” sections of this Base Prospectus has been extracted from information published by UBS AG, save for the reference to the exchange(s) on which UBS AG has certain securities listed which has been extracted from the Bloomberg page for such entity; and
- (c) in the “*Description of the Fund*” section of this Base Prospectus, and any other information contained in this Base Prospectus relating to the Fund, has been extracted from information provided by Catella Fondförvaltning AB as the fund manager of the Fund (the “**Fund Manager**”) to the Issuer,

and, in each case, the Issuer confirms that the relevant information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer accepts responsibility, in each Member State for which it has given its consent referred to herein, for the contents of this Base Prospectus in relation to any Investor to whom an offer of any Notes is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an “**Authorised Offeror**”), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, none of the Issuer, the Arranger or the Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The information contained in this Base Prospectus relating to the Fund, including such information contained in the “*Description of the Fund*” section, has been extracted from information provided to the Issuer by the Fund Manager. The Issuer confirms the accurate reproduction of the extracted information but accepts no further or other responsibility in respect of such information. So far as the Issuer is aware or able to ascertain from such published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not been responsible for, nor has it undertaken, any investigation or verification of statements, including statements as to foreign law, contained in such information. The Issuer has not conducted any due diligence on such information. The Issuer has only made very limited enquiries with regards to such information. Otherwise, the Issuer has not made any enquiries in relation to such information. The Issuer does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of such information and prospective Investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the same.

The Issuer consents to the use of this Base Prospectus in connection with an offer of Notes during the relevant offer period specified in the applicable Final Terms (the “**Offer Period**”) by each of the following financial intermediaries in the Member State(s), and subject to the conditions, set out against their names for so long as they are authorised to make such offers under MiFID:

<u>Intermediary</u>	<u>Member State</u>	<u>Conditions</u>
Garantum Fondkommission AB	Kingdom of Sweden	None

The Issuer may (a) give consent to one or more additional Authorised Offerors after the date of this Base Prospectus or the applicable Final Terms, (b) discontinue or change the Offer Period in respect of the Notes, and/or (c) remove or add conditions and, if it does so, it will publish the above information in relation to them at [www.argentumcapital.lu](http://www.argentumcapital.lu) at the relevant time.

An offer of Notes may be made, subject to the conditions set out above, during the relevant Offer Period by any of the Issuer, the Dealer or any Authorised Offeror.

Other than as set out above, the Issuer has not authorised the making of any offer of Notes by any person in any circumstances and no other person is permitted to use this Base Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by the Dealer or any Authorised Offeror and none of the Issuer or the Dealer or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALER) IN CONNECTION WITH THE OFFER OR SALE OF NOTES AND, ACCORDINGLY, THIS BASE PROSPECTUS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

None of the Trustee, the Arranger or any Dealer has or will have separately verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is or will be made and no responsibility or liability is or will be accepted by the Trustee, the Arranger or the Dealer as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with any Notes or their distribution.

No person is or has been authorised by the Issuer, the Trustee, the Arranger or the Dealer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Trustee, the Arranger or the Dealer.

Neither this Base Prospectus nor any other information supplied in connection with any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Trustee, the Arranger or the Dealer that any recipient of this Base Prospectus or any other information supplied in connection with any Notes should purchase such Notes. Each Investor contemplating purchasing any Notes should make its own independent investigation into the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, each Original Collateral Obligor, the Fund, each issuer of a constituent share within the Class Equity Basket, each equity index within the Class Equity Index Basket, the Equity Original Collateral Obligor and each constituent fund within the Fund Basket (as defined below) (as applicable). Neither this Base Prospectus nor any other information supplied in connection with any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Trustee, the Arranger or the Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with any Notes is correct

as of any time subsequent to the date indicated in the document containing the same. The Dealer and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of any Notes or to advise any Investor in any Notes of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Trustee, the Arranger and the Dealer do not and will not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been or will be taken by the Issuer, the Trustee, the Arranger or the Dealer (save as specified in the section of this Base Prospectus entitled “*Subscription and Sale and Transfer Restrictions – Public Offer Selling Restriction under the Prospectus Directive*” below) which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, Notes may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, Luxembourg, Ireland and the Kingdom of Sweden) and Switzerland (see the section entitled “*Subscription and Sale*” on page 266 of the Secured Note Programme Base Prospectus and the section of this Base Prospectus entitled “*Subscription and Sale and Transfer Restrictions*” below).

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”), other than offers (the “**Permitted Public Offers**”) which are made during the relevant Offer Period and which are contemplated in the Base Prospectus in the Kingdom of Sweden once the Base Prospectus has been approved by the Central Bank in Ireland and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in the Kingdom of Sweden, will be made pursuant to an exemption under the Prospectus Directive as implemented in that Relevant Member State from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of such Notes which are the subject of the offering contemplated in this Base Prospectus other than the Permitted Public Offers may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive in each case, in relation to such offer. Neither the Issuer nor the Dealer have authorised nor do they authorise, the making of any offer (other than Permitted Public Offers) of Notes in circumstances in which an obligation arises for the Issuer or the Dealer to publish or supplement a prospectus for such offer.

*The Company has been established as a special purpose vehicle for the purpose of issuing asset backed securities, having adopted the form of a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg. The Company’s activities are subject to the Securitisation Act 2004 and the Company is a regulated entity within the meaning of the Securitisation Act 2004. Copies of the Articles as at the date of this document have been lodged with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) (“**RCS Luxembourg**”) and the Company is registered with the Luxembourg trade and companies register under number B.182.715.*

*The Articles are published in the Mémorial, Section C, Recueil des Sociétés et Associations.*

*Under the Securitisation Act 2004, the Company, as a regulated entity within the meaning of the Securitisation Act 2004, is entitled to issue securities or its shares to the public on an ongoing basis.*

All references in this Base Prospectus to (i) “euro”, “EUR” and “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, (ii) “SEK” are to the lawful currency of the Kingdom of Sweden, (iii)

“**Sterling**”, “**£**” and “**GBP**” are to the lawful currency of the United Kingdom, (iv) “**United States Dollar**”, “**USD**” and “**\$**” are to the lawful currency of the United States of America and (v) “**CHF**” are to the lawful currency of Switzerland.

## TABLE OF CONTENTS

<b>SUMMARY</b> .....	8
<b>RISK FACTORS</b> .....	44
<b>TRANSACTION DESCRIPTION</b> .....	80
<b>QUESTIONS AND ANSWERS</b> .....	113
<b>DOCUMENTS INCORPORATED BY REFERENCE</b> .....	126
<b>FUND-LINKED, EQUITY-LINKED, EQUITY INDEX-LINKED AND CERTIFICATE-LINKED NOTES PRODUCT SUPPLEMENT</b> .....	128
<b>DESCRIPTION OF THE COMPANY AND THE COMPARTMENT</b> .....	150
<b>DESCRIPTION OF THE SWAP AGREEMENT</b> .....	152
<b>DESCRIPTION OF THE ASSET SWAP TRANSACTIONS</b> .....	156
<b>DESCRIPTION OF THE FUND SWAP TRANSACTIONS</b> .....	158
<b>DESCRIPTION OF THE FUND</b> .....	168
<b>DESCRIPTION OF THE EQUITY SWAP TRANSACTIONS</b> .....	171
<b>INDEX DISCLAIMERS</b> .....	180
<b>DESCRIPTION OF CREDIT SUISSE INTERNATIONAL</b> .....	186
<b>DESCRIPTION OF THE CLASS EQUITY ORIGINAL COLLATERAL</b> .....	187
<b>DESCRIPTION OF THE EQUITY ORIGINAL COLLATERAL OBLIGOR</b> .....	196
<b>DESCRIPTION OF THE ORIGINAL COLLATERAL</b> .....	197
<b>LUXEMBOURG TAXATION</b> .....	198
<b>SWEDISH TAXATION</b> .....	200
<b>IRISH TAXATION</b> .....	201
<b>SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS</b> .....	202
<b>GENERAL INFORMATION</b> .....	204
<b>APPENDIX 1 – FORM OF FINAL TERMS</b> .....	206

## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the issuance of Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in this Summary because of the type of securities and issuers, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in this Summary with the mention of “Not Applicable”.

*[Certain provisions of this Summary appear in square brackets. Such information will be completed or, where not relevant, deleted, in relation to a particular Series or Class of Notes and the completed Summary in relation to such Series or Class shall be appended to the relevant Final Terms.]*

Element	Disclosure Requirement							
A.1	<b>Introduction and Warnings</b>	<p>This Summary should be read as an introduction to the base prospectus in relation to the Secured Repackaged Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes (the “<b>Base Prospectus</b>”). Any decision to invest in Notes should be based on a consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this Summary including any translation thereof, but only if this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>						
A.2	<b>Consent to the use of the prospectus, the relevant offer period and other conditions of use</b>	<p>Argentum Capital S.A. (the “<b>Company</b>”), acting in respect of Compartment [GAP]/[GAP+] [●] (the “<b>Compartment</b>”) in respect of Series [●] (the “<b>Issuer</b>”) consents to the use of the Base Prospectus in connection with the offer of the Notes during the period commencing from, and including, [●] to, and including, [●] (the “<b>Offer Period</b>”) by each of the following financial intermediaries in the Member State(s), and subject to the conditions, set out against their names for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Intermediary</th> <th style="text-align: center;">Member State</th> <th style="text-align: center;">Conditions</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Garantum Fondkommission AB</td> <td style="text-align: center;">Kingdom of Sweden</td> <td style="text-align: center;">None</td> </tr> </tbody> </table>	Intermediary	Member State	Conditions	Garantum Fondkommission AB	Kingdom of Sweden	None
Intermediary	Member State	Conditions						
Garantum Fondkommission AB	Kingdom of Sweden	None						

		<p>The Issuer may give consent to additional financial intermediaries after the date of the Base Prospectus and, if it does so, it will publish the above information in relation to them at <a href="http://www.argentumcapital.lu">www.argentumcapital.lu</a> at the relevant time during the Offer Period.</p> <p>An offer of Notes may be made, subject to the conditions set out above, during the Offer Period by any of the Issuer, the Dealer or any Authorised Offeror.</p> <p>Other than as set out above, neither the Issuer nor the Dealer has authorised the making of any offer of any Notes by any person in any circumstances and such person is not permitted to use the Base Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by the Dealer or any Authorised Offerors and none of the Issuer, the Dealer or any Authorised Offerors has any responsibility or liability for the actions of any person making such offers.</p> <p><b>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF ANY NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALER) IN CONNECTION WITH THE OFFER OR SALE OF ANY NOTES AND, ACCORDINGLY, THE BASE PROSPECTUS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.</b></p>
<b>B.1</b>	<b>Legal and commercial name of the Issuer</b>	<p><i>[Insert the following if Ordinary Fee Arrangement (i.e. GAP) is applicable:</i></p> <p>Argentum Capital S.A., acting in respect of Compartment GAP [●].]</p> <p><i>[Insert the following if Ongoing Fee Arrangement (i.e. GAP+) is applicable:</i></p> <p>Argentum Capital S.A., acting in respect of Compartment GAP+ [●].]</p>
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of Issuer</b>	<p>The Company has adopted the form of a public limited liability company (<i>société anonyme</i>) incorporated under the laws of the Grand Duchy of Luxembourg, registered with RCS Luxembourg under number B.182.715.</p>
<b>B.16</b>	<b>Description of whether the Issuer</b>	<p>The Company has 31,000 shares, all of which are fully paid and held by Stichting Argentum. Stichting Argentum is a foundation</p>

	<b>is directly or indirectly owned or controlled and by whom and nature of such control</b>	<p>(<i>stichting</i>) incorporated under the laws of The Netherlands and is not owned or controlled by any person.</p> <p>Stichting Argentum has no beneficial interest in and derives no benefit from its holding of the issued shares. It will apply any income derived by it from the Company solely for charitable purposes.</p> <p>Stichting Argentum’s Deed of Incorporation (which includes its articles of association) contains certain provisions ensuring Stichting Argentum does not abuse its position of control, including an express objects clause which stipulates that it exercises any and all rights attached to the shares of the Company in such a manner as to safeguard the interests of the Company and any and all persons concerned to the best of the foundation’s ability, including in relation to any of the voting rights to the shares in the Company and to perform any and all acts that may be related, incidental or which may be conducive to safeguarding such interests.</p>
<b>B.17</b>	<b>Issuer Ratings</b>	Not applicable – neither the Issuer nor the Notes have been rated.
<b>B.20</b>	<b>Statement as to whether the Issuer has been established for the purpose of issuing asset backed securities</b>	The Company has been established in Luxembourg as a special purpose vehicle for the purpose of issuing asset backed securities.
<b>B.21</b>	<b>Company’s principal business activities</b>	<p>The Company’s principal activities are to enter into, perform and serve as a vehicle issuing asset backed securities for any securitisation transactions as permitted under the Securitisation Act 2004.</p> <p>Credit Suisse International is the Swap Counterparty under the Swap Agreement, whose performance will affect the performance of the Notes.</p> <p><i>[Include if a Class of Notes is certificate-linked: UBS AG, London Branch is the Equity Original Collateral Obligor, whose performance will affect the performance of the [Class [●]] Notes.]</i></p> <p>Credit Suisse International is also the Disposal Agent, Calculation Agent, Dealer and Arranger; The Bank of New York Mellon, London Branch is the Issuing and Paying Agent; BNY Mellon Corporate Trustee Services Limited is the Trustee; The Bank of New York Mellon (Luxembourg) S.A. is the Custodian, Registrar and Transfer Agent; and Sanne Group (Luxembourg) S.A. is the Corporate Services Provider in respect of the Company (and together with Credit Suisse International, The Bank of New York Mellon, London Branch, BNY Mellon Corporate Trustee Services Limited and The Bank of New York Mellon (Luxembourg) S.A., each such entity is a “<b>Programme Party</b>”).</p> <p>Each Programme Party’s relationship with the Issuer is to act in its respective capacity described above.</p> <p>Skandinaviska Enskilda Banken AB (publ) is the “<b>Swedish Agent</b>”.</p>
<b>B.22</b>	<b>Statement that the Company has not</b>	Not applicable – the Issuer has commenced operations and has prepared financial statements.

	<b>commenced operations and no financial statements have been made up as at the date of the Base Prospectus</b>																																											
<b>B.23</b>	<b>Selected key historical financial information about the Company</b>	<p>Selected historical key financial information of the Issuer with respect to the years ended 31 December 2014 and 31 December 2015 (which has been extracted from the Issuer's audited financial statements, which are incorporated by reference into the Base Prospectus):</p> <table> <thead> <tr> <th></th> <th style="text-align: right;"><b>As at 31 December 2015 (Audited)</b></th> <th style="text-align: right;"><b>As at 31 December 2014 (Audited)</b></th> </tr> <tr> <th></th> <th style="text-align: right;">€</th> <th style="text-align: right;">€</th> </tr> </thead> <tbody> <tr> <td><b>Fixed assets</b></td> <td></td> <td></td> </tr> <tr> <td>Financial fixed assets</td> <td style="text-align: right;">2,744,676,659</td> <td style="text-align: right;">1,439,506,836</td> </tr> <tr> <td><b>Current assets</b></td> <td></td> <td></td> </tr> <tr> <td>Other receivables becoming due and payable within one year</td> <td style="text-align: right;">2,534,959</td> <td style="text-align: right;">410,135</td> </tr> <tr> <td>Cash at banks and in hand</td> <td style="text-align: right;">30,731</td> <td style="text-align: right;">30,848</td> </tr> <tr> <td><b>TOTAL ASSETS</b></td> <td style="text-align: right;"><b>2,747,242,349</b></td> <td style="text-align: right;"><b>1,439,947,819</b></td> </tr> <tr> <td><b>Capital and reserves</b></td> <td></td> <td></td> </tr> <tr> <td>Subscribed capital</td> <td style="text-align: right;">31,000</td> <td style="text-align: right;">31,000</td> </tr> <tr> <td>Profit or loss brought forward</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Profit or loss for the financial year</td> <td style="text-align: right;">7,550</td> <td style="text-align: right;">-</td> </tr> <tr> <td><b>Provisions</b></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td style="text-align: right;">260,328,708</td> <td style="text-align: right;">339,926,540</td> </tr> </tbody> </table>		<b>As at 31 December 2015 (Audited)</b>	<b>As at 31 December 2014 (Audited)</b>		€	€	<b>Fixed assets</b>			Financial fixed assets	2,744,676,659	1,439,506,836	<b>Current assets</b>			Other receivables becoming due and payable within one year	2,534,959	410,135	Cash at banks and in hand	30,731	30,848	<b>TOTAL ASSETS</b>	<b>2,747,242,349</b>	<b>1,439,947,819</b>	<b>Capital and reserves</b>			Subscribed capital	31,000	31,000	Profit or loss brought forward	-	-	Profit or loss for the financial year	7,550	-	<b>Provisions</b>			Other	260,328,708	339,926,540
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		provisions <b>Non subordinated debts</b> Non convertible loans becoming due and payable after more than one year 2,476,022,146                      1,099,645,096 Trade creditors becoming due and payable within one year 10,848,932                              344,380 Tax debts                                      4,013                                      803 <b>TOTAL LIABILITIES</b> <b>2,747,242,349</b> <b>1,439,947,819</b>
<b>B.24</b>	<b>Description of any material adverse change since the date of the Company's last published audited financial statements</b>	There has been no material adverse change in the prospects of the Company since 31 December 2015, being the date of the Company's last published audited financial statements.
<b>B.25</b>	<b>Description of the underlying assets</b>	The assets securing the Notes comprise, among other things: (a) a nominal amount of each of the debt instruments listed below (each, a " <b>Collateral Component</b> "), determined by the Dealer by reference to the [EUR], [USD], [GBP], [CHF] [or] [ <i>If any other currency is applicable: [●]</i> ] equivalent of the portion of the net issue proceeds of each Class allocated to the relevant Collateral Component, or such other bonds issued by (i) any such issuer of a Collateral Component or (ii) any entity controlled, directly or indirectly, by any such issuer, any entity that controls, directly or indirectly, such issuer or any entity directly or indirectly under common control with any such issuer (any such entity, an " <b>Affiliate</b> " of such issuer) as may be determined by the Dealer as at the Collateral Event Observation Start Date (expected to be [●]) (any such alternative bond, an " <b>Alternative Collateral Component</b> " which shall be treated as a Collateral Component and, together with any other Collateral Component, the " <b>Original Collateral</b> "); <div style="text-align: right;"> <b>Issuer                      ISIN                      Currency                      Maturity Date</b> </div>

		<p>[●] [●] [●] [●]</p> <p>[●] [●] [●] [●]</p> <p>[●] [●] [●] [●]</p> <p>[Repeat as necessary]</p> <p>[Note: The issuer of a Collateral Component shall be a corporate or sovereign. The Collateral Component shall be listed on a regulated or equivalent market (for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments), the Hong Kong Stock Exchange, the New York Stock Exchange and/or the Tokyo Stock Exchange.]</p> <p>(b) the rights of the Issuer under the asset swap transactions relating to [each Class of Notes] [the Notes] (the “<b>Asset Swap Transactions</b>”);</p> <p>(c) [Include if a Class of Notes is fund-linked: the rights of the Issuer under the fund swap transaction relating to the [Class [●]] Notes (the “[Class [●]] <b>Fund Swap Transaction</b>”) referencing Catella Fondförvaltning AB Special Funds, Catella Hedgefond, SEK retail class (ISIN: SE0001131335; Bloomberg: CATHEDG SS) (the “<b>Fund</b>”)];</p> <p>(d) [Include if a Class of Notes is equity-linked: the rights of the Issuer under the equity swap transaction relating to the [Class [●]] Notes (the “[Class [●]] <b>Equity Swap Transaction</b>”) referencing a basket comprising [a single share]/[multiple shares] (the “<b>Class Equity Basket</b>” in respect of such Class)];</p> <p>(e) [Include if a Class of Notes is equity index-linked: the rights of the Issuer under the Equity Swap Transaction relating to the [Class [●]] Notes (the “[Class [●]] <b>Equity Swap Transaction</b>”) referencing a basket comprising [a single equity index]/[multiple equity indices] (the “<b>Class Equity Index Basket</b>” in respect of such Class)]; and</p> <p>(f) [Include if a Class of Notes is certificate-linked: UBS Gearing Certificates (as defined below) with an aggregate nominal amount equal to the Aggregate Nominal Amount of the [Class [●]] Notes (the “<b>Class Equity Original Collateral</b>” in respect of such Class) linked to the Fund Basket (as defined below).]</p> <p>The Original Collateral and the issuer(s) thereof (each, an “<b>Original Collateral Obligor</b>”) shall be notified to the Noteholders on or about the Issue Date.</p> <p>The Asset Swap Transactions, [Include if a Class of Notes is fund-linked: the Fund Swap Transaction] [and/or] [Include if a Class of Notes is equity-linked or equity index-linked: the Equity Swap Transaction] will be entered into with the Swap Counterparty and governed by a 2002 ISDA Master Agreement and will become effective on the issue date of the Notes along with a credit support annex entered into by the same parties (the “<b>Credit Support Annex</b>”) under such 2002 ISDA Master Agreement (such 2002 ISDA</p>
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		<p>Master Agreement, together with the confirmations documenting such Asset Swap Transactions, [<i>Include if a Class of Notes is fund-linked: the Fund Swap Transaction</i>] [and] [<i>Include if a Class of Notes is equity-linked or equity index-linked: the Equity Swap Transaction</i>] and the Credit Support Annex, the “<b>Swap Agreement</b>”).</p> <p>[<i>Include if a Class of Notes is certificate-linked: The Class Equity Original Collateral will be certificates (the “<b>UBS Gearing Certificates</b>”) issued by UBS AG, London Branch (the “<b>Equity Original Collateral Obligor</b>”).]</i>]</p> <p>Under the Credit Support Annex, if the Issuer has an exposure to the Swap Counterparty under the Asset Swap Transactions, [<i>Include if a Class of Notes is fund-linked: the Fund Swap Transaction</i>] [and] [<i>Include if a Class of Notes is equity-linked or equity index-linked: the Equity Swap Transaction,</i>] the Swap Counterparty may be required to deliver to the Custodian certain securities meeting criteria set out in the Credit Support Annex (such securities, “<b>Eligible Securities</b>”). For so long as the Custodian (on behalf of the Issuer) is holding any Eligible Securities, they shall also comprise underlying assets for the Notes. However, the Issuer or the Trustee shall only be entitled to realise the value of such Eligible Securities in limited circumstances (being, in effect, where the Notes are to redeem in whole early). Similarly, if the Swap Counterparty has an exposure to the Issuer, the Issuer may be required to deliver some or all of the Original Collateral to the Swap Counterparty under the Credit Support Annex, in which case such assets as delivered cease to be underlying assets for the Notes.</p> <p>Credit Suisse International, whose business is banking and financial services and which is incorporated in England and Wales, is the Swap Counterparty as at the Issue Date.</p>
<b>B.26</b>	<b>Parameters within which an actively managed pool of assets backing the issue is managed</b>	Not applicable – neither the Issuer nor any third party will actively manage a pool of assets backing the issue.
<b>B.27</b>	<b>Statement regarding fungible issues</b>	<p>[<i>Include if the Notes are fungible: Not applicable – the Issuer may create and issue further Notes secured by additional Mortgaged Property so that such further Notes will be consolidated and form a single Series with the Notes.</i>]</p> <p>[<i>Include if the Notes are not fungible: The Issuer has agreed with the Dealer that it will not issue further Notes to be consolidated and form a single Series with the Notes.</i>]</p>
<b>B.28</b>	<b>Description of the structure of the transaction</b>	<p>On [●] (the “<b>Issue Date</b>”), (i) the Issuer will, subject to the provisions of the Securitisation Act 2004, use the proceeds of the issue of the Notes [<i>Include if Ordinary Fee Arrangement (i.e. GAP) is applicable: to pay the commission to the Dealer and</i>] to purchase the Original Collateral [<i>Include if a Class of Notes is certificate-linked: and the Class Equity Original Collateral</i>] and will enter into the Asset Swap Transactions, [<i>Include if a Class of Notes is fund-linked: the Fund Swap Transaction</i>] [and/or] [<i>Include if a Class of Notes is equity-linked or equity index-linked: the Equity Swap</i></p>

Transaction]; and (ii) the Dealer will, in consideration for receiving the Notes, procure that the Swap Counterparty enters into the Asset Swap Transactions, [*Include if a Class of Notes is fund-linked: the Fund Swap Transaction*] [and/or] [*Include if a Class of Notes is fund-linked: the Equity Swap Transaction*] with the Issuer.

**Return**

Provided that the Notes are not redeemed early:

[*Include if Ordinary Fee Arrangement (i.e. GAP) is applicable:*

[*Include if a Class of Notes is fund-linked:*

(a) a Fund-Linked Class of Notes will redeem on their scheduled maturity date at an amount equal to [the *product of* [●]% (such percentage, the “**Redemption Percentage**”) and] their outstanding nominal amount, [*Include if the Additional Payout Amount is payable on the maturity date: then plus any fund-linked Additional Payout Amount (linked to the Fund Swap Transaction relating to such Class of Notes and as described below).*] [*Include if the Additional Payout Amount is payable prior to the maturity date: On* [●], subject to any postponement in the settlement of the Fund Swap Transaction relating to such Class of Notes (the “**Additional Payout Amount Payment Date**”), the holder of each Note may be entitled to receive a fund-linked Additional Payout Amount (linked to the Fund Swap Transaction relating to such Class of Notes and as described below)];]

[*Include if a Class of Notes is equity-linked:*

(b) an Equity-Linked Class of Notes will redeem on their scheduled maturity date at an amount equal to [the *product of* [●]% (such percentage, the “**Redemption Percentage**”) and] their outstanding nominal amount, [*Include if the Additional Payout Amount is payable on the maturity date: then plus any equity-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below).*] [*Include if the Additional Payout Amount is payable prior to the maturity date: On* [●], subject to any postponement in the settlement of the Equity Swap Transaction relating to such Class of Notes (the “**Additional Payout Amount Payment Date**”), the holder of each Note may be entitled to receive an equity-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below)];]

[*Include if a Class of Notes is equity index-linked:*

(c) an Equity Index-Linked Class of Notes will redeem on their scheduled maturity date at an amount equal to [the *product of* [●]% (such percentage, the “**Redemption Percentage**”) and] their outstanding nominal amount, [*Include if the Additional Payout Amount is payable on the maturity date: then plus any equity index-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below).*] [*Include if the Additional Payout Amount is payable prior to the maturity date: On* [●], subject to any postponement in the settlement of the Equity Swap Transaction

relating to such Class of Notes, (the “**Additional Payout Amount Payment Date**”), the holder of each Note may be entitled to receive an equity index-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below);]

*[Include if a Class of Notes is certificate-linked:*

- (d) a Certificate-Linked Class of Notes will redeem on their scheduled maturity date at an amount equal to [the *product of* [●]% (such percentage, the “**Redemption Percentage**”) and] their outstanding nominal amount, *[Include if the Additional Payout Amount is payable on the maturity date: then plus any certificate-linked Additional Payout Amount (linked to the relevant Class Equity Original Collateral and as described below).]* *[Include if the Additional Payout Amount is payable prior to the maturity date: On [●], subject to any postponement in the settlement of the Class Equity Original Collateral relating to such Class of Notes, (the “**Additional Payout Amount Payment Date**”), the holder of each Note may be entitled to receive a certificate-linked Additional Payout Amount (linked to the relevant Class Equity Original Collateral and as described below)];]*

*[Include if a Redemption by Instalments is applicable:*

- (e) each Note will be partially redeemed by the payment of an Instalment Amount on the relevant Instalment Date. Each scheduled Instalment Date is specified below, and the corresponding Instalment Amount will be equal to the *product of* (x) the Specified Denomination [*multiplied by* [●]% (such percentage, the “**Redemption Percentage**”), (y) the sum of the Weighting of each Collateral Component which is not an Affected Collateral Component on the Instalment Date and (z) the relevant percentage specified below.

<b>Instalment Date</b>	<b>Percentage</b>
[●]	[●]%
[●]	[●]%
[●]	[●]%

*[Repeat as necessary]]]*

*[Include if Ongoing Fee Arrangement (i.e. GAP+) is applicable:*

*[Include if a Class of Notes is fund-linked:*

- (a) a Fund-Linked Class of Notes will redeem on their scheduled maturity date at an amount equal to the *product of* (x) [[●]% (such percentage, the “**Redemption Percentage**”), (y) the outstanding nominal amount of such Notes and (z) the Fee Calculation Factor (a variable percentage which is 100% on the Issue Date and which will be reduced annually and to the final Fee Calculation Factor on the scheduled maturity date), *[Include if the Additional Payout Amount is payable on the maturity date: then plus any fund-linked Additional Payout Amount (linked to the Fund Swap Transaction relating to such Class of Notes and*

		<p>as described below).] <i>[Include if the Additional Payout Amount is payable prior to the maturity date: On [●], subject to any postponement in the settlement of the Fund Swap Transaction relating to such Class of Notes, (the “<b>Additional Payout Amount Payment Date</b>”), the holder of each Note may be entitled to receive a fund-linked Additional Payout Amount (linked to the Fund Swap Transaction relating to such Class of Notes and as described below)];]</i></p> <p><i>[Include if a Class of Notes is equity-linked:</i></p> <p>(b) an Equity-Linked Class of Notes will redeem on their scheduled maturity date at an amount equal to the <i>product of</i> (x) [[●]% (such percentage, the “<b>Redemption Percentage</b>”), (y) the outstanding nominal amount of such Notes and (z) the Fee Calculation Factor, <i>[Include if the Additional Payout Amount is payable on the maturity date: then plus any equity-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below).]</i> <i>[Include if the Additional Payout Amount is payable prior to the maturity date: On [●], subject to any postponement in the settlement of the Equity Swap Transaction relating to such Class of Notes, (the “<b>Additional Payout Amount Payment Date</b>”), the holder of each Note may be entitled to receive an equity-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below)];]</i></p> <p><i>[Include if a Class of Notes is equity index-linked:</i></p> <p>(c) an Equity Index-Linked Class of Notes will redeem on their scheduled maturity date at an amount equal to the <i>product of</i> (x) [●]% (such percentage, the “<b>Redemption Percentage</b>”), (y) the outstanding nominal amount of such Notes and (z) the Fee Calculation Factor, <i>[Include if the Additional Payout Amount is payable on the maturity date: then plus any equity index-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below).]</i> <i>[Include if the Additional Payout Amount is payable prior to the maturity date: On [●], subject to any postponement in the settlement of the Equity Swap Transaction relating to such Class of Notes, (the “<b>Additional Payout Amount Payment Date</b>”), the holder of each Note may be entitled to receive an equity index-linked Additional Payout Amount (linked to the Equity Swap Transaction relating to such Class of Notes and as described below)];]</i></p> <p>[(d)] in respect of each Class of Notes, the aggregate of (x) the value associated with the effective annual reduction in the relevant notional amount under the Asset Swap Transaction, (y) the proceeds from any sale of a portion of each Class Collateral Component Amount, and (z) the amount deducted in the calculation of any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the [Fund Swap Transaction] [or] [Equity Swap Transaction] relating to such Class through the deduction of the Performance Fee, represents the commissions payable to Garantum Fondkommission (the “<b>Distributor</b>”). The commissions are described in more detail</p>
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		<p>in Element E.4 below; and</p> <p>[(e)] notwithstanding paragraph [(d)] above, the Dealer and the Distributor have agreed that if any portion of the Notes is held by the Dealer and/or any of its affiliates, the amount required to be paid to the Distributor will be reduced by the proportion which such portion of Notes held by the Dealer and/or its affiliates bears to all of the outstanding Notes.]]</p> <p>Where a Collateral Event has occurred, whilst the Additional Payout Amount due on the [scheduled maturity date]/[Additional Payout Amount Payment Date] will otherwise be the same, the remaining principal amount due in respect of a Note of any Class will be proportionately reduced following liquidation of the Collateral Component and payment of early cash redemption amount(s) in respect of such Class of Notes.</p> <p>The Issuer is expected to fund payments on each Class of Notes of a Series due on their scheduled maturity date [and the Additional Payout Amount Payment Date] out of the corresponding amounts that it expects to receive from the Swap Counterparty under (a) the relevant Asset Swap Transaction and (b) [<i>Include if a Class of Notes is fund-linked: the Fund Swap Transaction</i>] [or] [<i>Include if a Class of Notes is equity-linked or equity index-linked: the Equity Swap Transaction</i>] [or] [<i>Include if a Class of Notes is certificate-linked: the corresponding amount it expects to receive from the Equity Original Collateral Obligor in respect of the Class Equity Original Collateral</i>].</p> <p>Under the Asset Swap Transactions, the Issuer agrees to pay the amount in respect of interest and/or principal scheduled to be paid in respect of each Collateral Component as at the Collateral Event Observation Start Date (expected to be [●]) to the Swap Counterparty on the business day immediately following the day on which such payments are due to be paid in respect of the relevant Collateral Component (save that where the redemption date of any Collateral Component falls after the scheduled maturity date of the Notes, the Issuer shall deliver such Collateral Component to the Swap Counterparty rather than making a payment to the Swap Counterparty).</p> <p>Under the Asset Swap Transaction relating to a Class of Notes, the Swap Counterparty agrees to pay to the Issuer:</p> <p><i>[Include if Ordinary Fee Arrangement (i.e. GAP) is applicable and Redemption by Instalments is not applicable: on the business day immediately prior to the scheduled maturity date, an amount equal to [the product of the applicable Redemption Percentage and] the outstanding nominal amount of such Class of Notes.]</i></p> <p><i>[Include if Ordinary Fee Arrangement (i.e. GAP) is applicable and Redemption by Instalments is applicable: on the business day immediately prior to each Instalment Date, an amount equal to the aggregate Instalment Amounts in respect of such Instalment Date.]</i></p> <p><i>[Include if Ongoing Fee Arrangement (i.e. GAP+) is applicable: on the business day immediately prior to the scheduled maturity date, an amount equal to the product of [(x) the application Redemption Percentage,] (y) the outstanding nominal amount of such Class of Notes and (z) the applicable Fee Calculation Factor.]</i></p>
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[Include if any Class of Notes bear interest: In addition, on the business day immediately prior to each scheduled [Interest Payment Date] / [Specified Interest Payment Date] in relation to the [Class [●]] Notes, the Swap Counterparty will pay an amount equal to the relevant interest amounts under the Asset Swap Transaction relating to such Class.]

The scheduled maturity date of [each Class of Notes] [the [Class [●]] Notes] is expected to be [●], which may be extended due to the determination by the Calculation Agent that facts exist which may (assuming the expiration of any applicable grace period) amount to a Collateral Event.

The Notes may partially redeem early following the occurrence of certain events in respect of a Collateral Component (which include the Collateral Component being called for redemption or repayment prior to its scheduled maturity date, the Collateral Component becoming payable prior to its scheduled maturity, certain failures to make payments in respect of the Collateral Component [Include if Original Collateral Conversion is applicable: the conversion of the Collateral Component into another instrument or a redenomination of the currency in which the principal or interest of the Collateral Component is due to be paid] (each, a “**Collateral Event**”). None of the Distributor, the Issuer, the Dealer, the Trustee, any Agent or the Swap Counterparty have any obligation to monitor whether any Collateral Event has occurred or may occur in respect of any Collateral Component and/or any other developments in respect of a Collateral Component or an Original Collateral Obligor (either prior to the Issue Date or afterwards).

If a Collateral Event occurs in relation to a Collateral Component (such Collateral Component, the “**Affected Collateral Component**”), in respect of a Class of Notes: (i) the nominal amount of each Note of such Class shall be reduced by reference to the proportion of the Affected Collateral Component relating to such Class compared to the total Original Collateral; (ii) the Disposal Agent shall, on behalf of the Issuer, sell the Affected Collateral Component relating to such Class of Notes; (iii) the Calculation Agent shall determine the relevant value of the asset swap transaction relating to such Class of Notes (the “**Partial Class Asset Swap Value**”); and (iv) each Note of such Class will be partially redeemed by payment to each Noteholder of an amount equal to its *pro rata* proportion of the proceeds of the sale, *plus* (if due to the Issuer) or *minus* (if due to the Swap Counterparty) the absolute value of the Partial Class Asset Swap Value (such amount, the “**Collateral Event Early Cash Redemption Amount**”).

The “**Additional Payout Amount**” for a Note of each Class of Notes will be its *pro rata* share of:

- (a) [Include if a Class of Notes is fund-linked, equity-linked or equity index-linked] in respect of the [Class [●]] Notes, any final exchange amount payable by the Swap Counterparty to the Issuer on the settlement of [Include if a Class of Notes is fund-linked: the [Class [●]] Fund Swap Transaction] [or] [Include if a Class of Notes is equity-linked or equity index-linked: the [Class [●]] Equity Swap Transaction] relating to the relevant Class of Notes (the “**Swap Counterparty Equity Final Exchange**”).

		<p><b>Amount</b>”). The Swap Counterparty Equity Final Exchange Amount, which will be dependent on the performance of [<i>Include if a Class of Notes is fund-linked: the Fund,</i>] [<i>Include if a Class of Notes is equity-linked: the Class Equity Basket</i>] [or] [<i>Include if a Class of Notes is equity index-linked: the Class Equity Index Basket</i>] and the participation percentage (the “<b>Participation</b>”) applicable to such [<i>Include if a Class of Notes is fund-linked: Fund Swap Transaction</i>] [or] [<i>Include if a Class of Notes is equity-linked or equity index-linked: Equity Swap Transaction</i>] (determined by the Issuer, or the Calculation Agent on its behalf) [<i>Include if FX Factor is applicable: and the relative movements of the foreign exchange rate between [SEK], [USD], [EUR] [or] [GBP], will be determined by the Calculation Agent by reference to a formula, and could be zero</i>]. The Participation:</p> <p>(i) in respect of the [Class [●]] Notes, is expected to be [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%; [and]</p> <p>(ii) in respect of the [Class [●]] Notes, is expected to be [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%. [Repeat as necessary]</p> <p>The Participation applicable to each such Class of Notes will be determined and notified to the Noteholders on or about the Issue Date.]</p> <p>(b) [<i>Include if a Class of Notes is certificate-linked</i>] in respect of the [Class [●]] Notes, any redemption amounts payable by the Equity Original Collateral Obligor to the Issuer on the settlement of the Class Equity Original Collateral in respect of the relevant Class of Notes, the “<b>Class Equity Original Collateral Redemption Amount</b>”). The Class Equity Original Collateral Redemption Amount will be dependent on the performance of the Fund Basket and the Participation applicable under the terms of the relevant Class Equity Original Collateral and could be zero. The Participation (which will be determined in accordance with the terms of the relevant Class Equity Original Collateral):</p> <p>(i) in respect of the [Class [●]] Notes, is expected to be [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%; and</p> <p>(ii) in respect of the [Class [●]] Notes, is expected to be [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%. [Repeat as necessary]</p> <p>The Participation applicable to each such Class of Notes will be determined under the terms of the relevant Class Equity Original Collateral, and will be notified to the Noteholders on or about the Issue Date.]</p>
<b>B.29</b>	<b>Description of the</b>	The Swap Counterparty is Credit Suisse International, a company

<p><b>flow of funds and other material forms of credit enhancement and providers thereof</b></p>	<p>incorporated in England and Wales, whose business is banking and financial services.</p> <p>In relation to each Class of Notes, (i) the Issuer will, subject to the provisions of the Securitisation Act 2004, use the proceeds of the issue of the Notes to purchase the Original Collateral <i>[Include if a Class of Notes is certificate-linked: and the Class Equity Original Collateral]</i> and will enter into the Asset Swap Transactions, <i>[Include if a Class of Notes is fund-linked: the Fund Swap Transaction]</i> <i>[and]</i> <i>[Include if a Class of Notes is equity-linked and/or equity index-linked: the Equity Swap Transaction]</i>; and (ii) the Dealer will, in consideration for receiving the Notes, procure that the Swap Counterparty enters into the Asset Swap Transactions, <i>[Include if a Class of Notes is fund-linked: the Fund Swap Transaction]</i> <i>[and]</i> <i>[Include if a Class of Notes is equity-linked and/or equity index-linked: the Equity Swap Transaction]</i> with the Issuer.</p> <p>The Original Collateral Obligors are expected to be [●] <i>[and [●]]</i>, provided that where any Collateral Component is issued by an Affiliate thereof, the Original Collateral Obligor in respect of such Collateral Component shall be such Affiliate.</p> <p><i>[Include if a Class of Notes is certificate-linked: The Equity Original Collateral Obligor is expected to be UBS AG, a company incorporated in Switzerland, whose business is banking and wealth management.]</i></p> <p>Under the Asset Swap Transaction, the Issuer will make payments equal to the interest and/or principal that is scheduled to be paid under the Original Collateral (save that where the redemption date of any Collateral Component falls after the scheduled maturity date of the Notes, the Issuer shall deliver such Collateral Component to the Swap Counterparty rather than making a payment to the Swap Counterparty) in return for receiving payments to satisfy its scheduled payment obligations on the Notes. The Credit Support Annex comprising part of the Swap Agreement is intended to provide the Issuer with a degree of protection against its exposure to the Swap Counterparty thereunder, by requiring the Swap Counterparty to post an amount of Eligible Securities to the Issuer when certain thresholds are met (and will also require the Issuer to post an amount of Eligible Securities to the Swap Counterparty when certain thresholds are met).</p> <p>In relation to each Class of Notes, subject to the netting of payments under the Swap Agreement and the occurrence of an Early Redemption Event, the final amount receivable by the Issuer under the Asset Swap Transaction relating to such Class and the Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer under <i>[Include if a Class of Notes is fund-linked: the Fund Swap Transaction]</i> <i>[or]</i> <i>[Include if a Class of Notes is equity-linked and/or equity index-linked: the Equity Swap Transaction]</i> <i>[or]</i> <i>[Include if a Class of Notes is certificate-linked: the Class Equity Original Collateral Redemption Amount]</i> relating to such Class shall be applied to make payments on the Notes of such Class. Where a Collateral Event has occurred, payment of the Collateral Event Early Cash Redemption Amount in respect of a Class of Notes shall be funded by the proceeds of the sale of the Affected Collateral Component relating to such Class of Notes and, where the Partial Class Asset Swap Value is due to the Issuer, an amount receivable by</p>
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		the Issuer under the Asset Swap Transaction (save that where the Partial Class Asset Swap Value is due to the Swap Counterparty, the absolute value of such amount shall be deducted from the proceeds of the Affected Collateral Component and shall be payable by the Issuer to the Swap Counterparty under the Asset Swap Transaction).
<b>B.30</b>	<b>The name and description of the originators of the securitised assets</b>	<p>The Swap Counterparty will be Credit Suisse International, a company incorporated in England and Wales, whose business is banking and financial services.</p> <p>The Original Collateral Obligors are expected to be [●] [and [●]], provided that where any Collateral Component is issued by an Affiliate thereof, the Original Collateral Obligor in respect of such Collateral Component shall be such Affiliate.</p> <p><i>[Include if a Class of Notes is certificate-linked: The Equity Original Collateral Obligor is expected to be UBS AG, a company incorporated in Switzerland, whose business is banking and wealth management.]</i></p>
<b>[B.33]</b>	<b>The following information in respect of the collective investment undertaking:</b>	<i>[Include Elements B.1 to B.46 below if a Class of Notes is fund-linked]</i>
	<b>B.1 Legal and commercial name of the collective investment undertaking</b>	Catella Hedgefond.
	<b>B.2 Domicile and legal form of the collective investment undertaking, the legislation under which the collective investment undertaking operates and its country of incorporation</b>	The Fund is a special fund pursuant to the Swedish Alternative Fund Managers Act (the “AIFMA”) and regulated by the Swedish Financial Supervisory Authority ( <i>Finansinspektionen</i> ).
	<b>B.5 If the collective investment undertaking is part of a group, a description of the group and the collective investment undertaking’s position within the</b>	Not applicable.

		<b>group</b>	
	<b>B.6</b>	<p><b>In so far as is known to the collective investment undertaking, the name of any person who, directly or indirectly, has an interest in the collective investment undertaking's capital or voting rights which is notifiable under the collective investment undertaking's national law, together with the amount of each such person's interest.</b></p> <p><b>Whether the collective investment undertaking's major shareholders have different voting rights, if any.</b></p> <p><b>To the extent known to the collective investment undertaking, state whether the collective investment undertaking is directly or indirectly owned or controlled and by whom and describe the nature of such control.</b></p>	<p>The assets of the Fund are owned jointly by the fund unit holders and each fund unit confers equal rights to the property that make up the Fund, adjusted for the specific terms that apply to each unit class. The Fund is managed by Catella Fondforvaltning AB (the "<b>Fund Manager</b>") and the Fund Manager will represent fund unit holders in all matters concerning the Fund, take decisions concerning the property of the Fund and exercise the rights derived from such property.</p>
	<b>B.7</b>	<p><b>Selected historical key financial information and any significant change to the collective investment undertaking's financial condition</b></p>	<p>The selected historical key financial information set out below has been extracted from the audited financial statements of the Fund for the years ended 31 December 2013, 31 December 2014 and 31 December 2015.</p> <p>Figures in '000 SEK:</p> <p style="text-align: right;">31 Dec 2015      31 Dec 2014      31 Dec 2013</p>

	<b>and operating results:</b>	<table> <tr> <td>Total Assets</td> <td>15,809,147</td> <td>8,416,536</td> <td>4,539,011</td> </tr> <tr> <td>Total Liabilities</td> <td>315,969</td> <td>329,745</td> <td>157,653</td> </tr> <tr> <td>Total Income and Value Changes</td> <td>804,516</td> <td>617,628</td> <td>402,229</td> </tr> <tr> <td>Total Costs</td> <td>295,485</td> <td>186,144</td> <td>119,094</td> </tr> <tr> <td>Result of the Period</td> <td>509,031</td> <td>431,484</td> <td>283,135</td> </tr> <tr> <td>Fund Assets at the End of Period</td> <td>15,493,178</td> <td>8,086,791</td> <td>4,381,358</td> </tr> </table>	Total Assets	15,809,147	8,416,536	4,539,011	Total Liabilities	315,969	329,745	157,653	Total Income and Value Changes	804,516	617,628	402,229	Total Costs	295,485	186,144	119,094	Result of the Period	509,031	431,484	283,135	Fund Assets at the End of Period	15,493,178	8,086,791	4,381,358
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<b>B.8</b>	<b>Selected key pro forma financial information</b>	Not applicable – the Fund Manager has not produced any pro forma financial information relating to the Fund.																								
<b>B.9</b>	<b>Profit forecast and estimate</b>	Not applicable – the Fund Manager has not produced any profit forecast or estimate relating to the Fund.																								
<b>B.10</b>	<b>Qualifications in the audit report on historical financial information</b>	Not applicable – the auditor’s reports for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 do not contain any qualifications.																								
<b>C.3</b>	<b>Number of shares issued and fully paid and issued but not fully paid.  The par value per share or that the shares have no par value</b>	As of 31 December 2015, the Fund had 79,671,172 units outstanding. The units do not have a par value but when the Fund was launched in 1 March 2004, the price per unit was SEK 100.																								
<b>C.7</b>	<b>A description of dividend policy</b>	The Fund does not pay dividends.																								
<b>D.2</b>	<b>Key information on the key risks that are specific to the collective investment undertaking</b>	<p>Certain events may occur in relation to the Fund or the units or shares of the Fund which may result in adjustments to the terms of the Fund-Linked Class of Notes and the relevant Fund Swap Transaction, including:</p> <p>(a) the performance of the Fund is dependent upon a number of factors, including the amount of liquidity in the international money markets, which are influenced by measures taken by governments and central banks, as well as market speculation and other macroeconomic factors;</p> <p>(b) the proportion of the underlying with an exposure to the Fund, and therefore to which any additional payout amount in respect of the Fund-Linked Class of Notes is linked (the</p>																								

		<p>“<b>Reference Portfolio</b>”) will be determined by a volatility target mechanism (the “<b>Volatility Target Mechanism</b>”);</p> <p>(c) the Volatility Target Mechanism does not prevent negative performance of the Reference Portfolio;</p> <p>(d) as the Volatility Target Mechanism is based on the historical volatility over a certain period, it is not certain that the volatility of the Reference Portfolio is equal to the targeted volatility;</p> <p>(e) due to the time lag in rebalancing the Reference Portfolio in order to meet the allocation determined by the Volatility Target Mechanism, the volatility of the Reference Portfolio may not meet the targeted volatility; and</p> <p>(f) the volatility of the Fund 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 and any of these events or activities could adversely affect the value of the Fund-Linked Class of Notes.</p>
<b>B.34</b>	<b>A description of the investment objective and policy, including any investment restrictions of the collective investment undertaking</b>	<p>The Fund aims to achieve consistent, positive return and capital growth through investing in transferable securities, fund units, money market instruments and derivative instruments whose underlying assets may comprise transferable securities, money market instruments, financial indices, interest rates and exchange rates. No more than 10 percent of the Fund’s assets are permitted to be invested in fund units. Derivative instruments can be used for both investment and hedging purposes.</p> <p>The Fund’s assets may be invested in a regulated market, trading platform/MTF or other market that is regulated and open to the public in Sweden or within the EEA or in a corresponding market in Australia, Hong Kong, Japan, Canada, Singapore or the United States.</p> <p>The Fund invests in assets which are permitted by the Swedish Investment Funds Act and is permitted to: (i) take positions in equity related transferable securities with the same issuer amounting to a maximum of 30% of the net asset value of the Fund, (ii) take positions up to a maximum of 40% of the net asset value of the Fund value in shares, convertible debt instruments and debt instruments with attached options issued by the same issuer, (iii) raise cash loans provided such loans do not exceed 50% of the Fund’s value and have a term of no longer than three months, (iv) take positions amounting to 10% of a single series of an issuer’s outstanding bonds, money market instruments and other debt instruments, and (v) take positions in bonds and other debt instruments in a single series up to a maximum of 30% of the net asset value of the Fund.</p>
<b>B.35</b>	<b>Borrowing and/or leverage limits of the collective investment undertaking</b>	<p>The maximum value of leverage for the Fund is 350% based on calculations using the gross method and 150% based on calculations using the commitment method. Short term cash loans may be raised as long as they do not exceed 50% of the Fund’s value and have a term of no longer than three months.</p>

<b>B.36</b>	<b>Regulatory status of the collective investment undertaking and name of regulator in country of incorporation</b>	The Fund is a special fund pursuant to the AIFMA and is regulated by the Swedish Financial Supervisory Authority ( <i>Finansinspektionen</i> ).
<b>B.37</b>	<b>Brief profile of typical investor for whom the collective investment undertaking is designed</b>	The Fund is intended for the general public.
<b>B.38</b>	<p><b>Where more than 20% of the gross assets of the collective investment undertaking may be:</b></p> <p><b>(a) invested in a single underlying asset; or</b></p> <p><b>(b) invested in one or more collective investment undertakings which may in turn invest more than 20% of gross assets in other collective investment undertakings; or</b></p> <p><b>(c) exposed to creditworthiness or solvency of any one counterparty, the identity of the entity should be disclosed together with a description of the exposure (e.g. counterparty) as well as information on the market in which its securities are admitted</b></p>	Not applicable. As at the date of the Base Prospectus, the Fund does not have an investment in which more than 20% of its gross assets are invested.
<b>B.39</b>	<b>Where a collective investment undertaking may</b>	Not applicable – the Fund is subject to investment guidelines that do not permit any such investment or exposure in excess of the relevant limit.

	<p>invest in excess of 40% of its gross assets in another collective investment undertaking, a brief explanation of either:</p> <p>(a) the exposure, identity of the underlying collective investment undertaking, and such information as required in a summary note by that collective investment undertaking; or</p> <p>(b) where the securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market, the identity of the underlying collective investment undertaking</p>	
<b>B.40</b>	<p><b>A description of the service providers of the collective investment undertaking, including maximum fees payable</b></p>	<p>The Fund Manager is Catella Fondforvaltning AB, corporate registration number 5565336210 and is regulated by the Swedish Financial Supervisory Authority (<i>Finansinspektionen</i>). The Fund Manager was authorised on 30 December 1997 pursuant to the Swedish Securities Funds Act. On 29 March 2010, the Fund Manager was issued a permit to engage in discretionary portfolio management and on 3 December 2014, was authorised under the AIFMA. The Fund’s maximum charge is 1.15% of the net asset value of the fund per year of which fixed fees paid to the Fund Manager will not exceed 1.0% of the net asset value of the fund per year calculated on a daily basis. A performance fee of 20% shall also be paid to the Fund Manager <i>plus</i> any applicable VAT.</p> <p>The Fund’s depositary is Skandinaviska Enskilda Banken AB (publ), 106 40 Stockholm, Sweden (the “<b>Depositary</b>”). Fixed fees paid to the Depositary shall not exceed 0.15% of the net asset value of the Fund per year.</p>
<b>B.41</b>	<p><b>Identity and</b></p>	<p>Please see Element B.40 above.</p>

	<b>regulatory status of any investment manager, investment advisor, custodian, trustee or fiduciary (including any delegated custody arrangements) of the collective investment undertaking</b>	
<b>B.42</b>	<b>A description of how often the collective investment undertaking net asset value will be determined and method of communication to investors</b>	The Fund Manager calculates the net asset value of the Fund on each banking day in Sweden and publishes this information on the Fund Manager's website.
<b>B.43</b>	<b>In the case of an umbrella collective investment undertaking, a statement of any cross liability between classes or investment in other collective investment undertaking</b>	Not applicable, the Fund is not an umbrella collective investment undertaking.
<b>B.44</b>	<b>Selected historical key financial information regarding the collective investment undertaking or where the collective investment undertaking has not commenced operations and no financial statements have been made up, a statement to that effect</b>	Please see to Element B.7 of Element B.33 above.
<b>B.45</b>	<b>A description of the collective investment</b>	The Fund's portfolio includes investments in equities, single stock derivatives, index futures, options and government and corporate bonds. The Fund invests mainly in the Nordic region and may use

	<b>undertaking's portfolio</b>	derivatives for both hedging and investment purposes.
<b>B.46</b>	<b>An indication of the most recent net asset value per security (if applicable)</b>	The net asset value per fund unit is available on the Fund Manager's website and as at [●] was SEK [●].
<b>C.1</b>	<b>Type and class of securities being offered</b>	<p>[Include ISIN and Common Code in respect of each separate Class</p> <p>[Include if a Class of Notes is fund-linked: In respect of the [Class [●]] Notes:</p> <p>Up to SEK [200,000,000] / [●] Secured Repackaged Fund-Linked Notes due [●]</p> <p>ISIN: [●] Common Code: [●]]</p> <p>[Include if a Class of Notes is equity-linked: In respect of the [Class [●]] Notes:</p> <p>Up to SEK [200,000,000] / [●] Secured Repackaged Equity-Linked Notes due [●]</p> <p>ISIN: [●] Common Code: [●]]</p> <p>[Include if a Class of Notes is equity index-linked: In respect of the [Class [●]] Notes:</p> <p>Up to SEK [200,000,000] / [●] Secured Repackaged Equity Index-Linked Notes due [●]</p> <p>ISIN: [●] Common Code: [●]]</p> <p>[Include if a Class of Notes is certificate-linked: In respect of the [Class [●]] Notes:</p> <p>Up to SEK [200,000,000] / [●] Secured Repackaged Certificate-Linked Notes due [●]</p> <p>ISIN: [●] Common Code: [●]]</p> <p>[Repeat as necessary]</p>
<b>C.2</b>	<b>Currency</b>	The Notes will be denominated in [Swedish Krona ("SEK")] / [●].
<b>C.5</b>	<b>Description of restrictions on free transferability of the Notes</b>	The Notes will be freely transferable, subject to certain selling restrictions applying to offers, sales or transfers of Notes under the Prospectus Directive 2003/71/EC (as amended by Directive 2010/73/EU) and applicable laws in Ireland and Sweden.
<b>C.8</b>	<b>Rights attaching to and ranking of Notes</b>	<p>The Notes will have rights relating to, among other matters:</p> <p><b>Status and Security</b></p> <p>The Notes of each Class will represent secured, limited recourse obligations of the Issuer, ranking <i>pari passu</i> amongst themselves. In addition, the Notes of each Class will rank <i>pari passu</i> with the Notes</p>

		<p>in respect of any other Class or Classes of the Series. Accordingly, following the enforcement of the security (as described below), the claims of Noteholders of each Class will be allocated to amounts received or recovered in respect of the Mortgaged Property (as described below) on a <i>pari passu</i> and <i>pro rata</i> basis, following the satisfaction of the higher-ranking claims of the other Secured Creditors in accordance with the priority of claims (as described below).</p> <p>The Issuer will grant to the Trustee to secure its obligations in respect of the Notes and the Swap Agreement:</p> <p>(a) a first ranking pledge (“<i>gage de premier rang</i>”) over all of the Pledged Collateral (which comprises the Original Collateral, [<i>Include if a Class of Notes is certificate-linked</i>: the Class Equity Original Collateral] and any Eligible Securities delivered to the Issuer by the Swap Counterparty from time to time and held by the Custodian (on behalf of the Issuer) under Luxembourg law (the “<b>Luxembourg Pledge</b>”), In respect of a Series of Notes, the Original Collateral [<i>Include if a Class of Notes is certificate-linked</i>: and the Class Equity Original Collateral] will be held in the Securities Account (as defined in the Agency Agreement) maintained by the Custodian for such Series on a pooled basis; and</p> <p>(b) in addition, but subject, to the Luxembourg Pledge, the following security under English law:</p> <p>(i) an assignment by way of security of all the Issuer’s rights, title and interest attaching or relating to the Collateral (which comprises the Original Collateral, [<i>Include if a Class of Notes is certificate-linked</i>: the Class Equity Original Collateral] and any Eligible Securities delivered to the Issuer by the Swap Counterparty from time to time and held by the Custodian (on behalf of the Issuer) (together, the “<b>Collateral</b>”) and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;</p> <p>(ii) an assignment by way of security of the Issuer’s rights, title and interest against the Custodian, to the extent that they relate to the Collateral and/or the Notes;</p> <p>(iii) an assignment by way of security of the Issuer’s rights, title and interest under the Agency Agreement, to the extent they relate to the Collateral and/or the Notes;</p> <p>(iv) an assignment by way of security of the Issuer’s rights, title and interest under the Swap Agreement (without prejudice to, and after giving effect to, any contractual netting provision contained in the Swap Agreement);</p> <p>(v) an assignment by way of security of the Issuer’s rights, title and interest under the Agency Agreement, to the extent that they relate to any assets held by the Custodian in respect of</p>
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		<p>the Notes;</p> <p>(vi) an assignment by way of security of the Issuer’s rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent) to the extent that such rights relate to the Collateral and/or the Notes;</p> <p>(vii) a charge over (A) all sums held by the Issuing and Paying Agent to meet payments due in respect of the Issuer’s secured payment obligations and (B) any sums received by the Issuing and Paying Agent under the Swap Agreement; and</p> <p>(viii) a charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral,</p> <p>the foregoing being the “<b>Mortgaged Property</b>”.</p> <p>Investors should note that where any Collateral and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer’s rights against the Custodian in respect of such Collateral and/or property, sums and assets, as the case may be, rather than a charge over such Collateral and/or property, sums and assets derived therefrom themselves.</p> <p><b>Limited Recourse and Non-Petition</b></p> <p>All payments to be made by the Issuer under the Notes and the Swap Agreement will be made only from, and to the extent of, the sums received or recovered by or on behalf of the Issuer or the Trustee in respect of the Mortgaged Property in accordance with the order of priority outlined below. All deliveries and payments by the Issuer under the Notes and the Swap Agreement will only be made from and to the extent of the Mortgaged Property in accordance with such order of priority.</p> <p>If the net proceeds of the Notes and the net proceeds of the realisation of the Mortgaged Property are not sufficient to make all payments due in respect of the Notes and due to each other creditor relating to the Notes, no other assets of the Company will be available to meet such shortfall and the claims of the Noteholders and any other creditors relating to such Notes in respect of any such shortfall shall be extinguished.</p> <p>Any shortfall shall be borne by the Noteholders of each Class of Notes (on a <i>pari passu</i> and <i>pro rata</i> basis) and such shortfall shall be so borne by the Noteholders, together with the Swap Counterparty and the other Secured Creditors (in respect of amounts owed to them) in the reverse of the order of priority outlined below.</p> <p>Furthermore, no party will be able to petition for the winding-up of the Company as a consequence of any such shortfall or launch proceedings against the Company.</p> <p><b>Priority of Claims</b></p> <p>Amounts received or recovered following any liquidation or enforcement of the security in respect of the Mortgaged Property</p>
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shall be applied in the following order of priority: (i) amounts owing to the Swap Counterparty pursuant to the Credit Support Annex (which shall be equal to the lesser of (A) the Available Proceeds, (B) the value of the Swap Counterparty's Credit Support Balance and (C) the value of the amounts owing to the Swap Counterparty under the Swap Agreement (which shall be deemed to be zero if no such amounts are owing)), (ii) the Issuer's share of the payment or satisfaction of all taxes owing by the Company, (iii) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the security (including any taxes to be paid, legal fees and remuneration), (iv) certain amounts owing to the Custodian, the Issuing and Paying Agent, the Registrar, the Transfer Agent and the other Agents in respect of reimbursement for sums paid by them in advance of receipt by them of the funds to make such payment and fees, costs, charges, expenses and liabilities, (v) fees of the Disposal Agent, (vi) any amounts owing to the Swap Counterparty under the Swap Agreement (in the event not already satisfied in accordance with (i) above), (vii) the Issuer's share of fees of the Corporate Services Provider owing by the Company and (viii) amounts owing to the Noteholders on a *pari passu* and *pro rata* basis.

#### **Negative Pledge/Restrictions**

There is no negative pledge. However, so long as any Note remains outstanding, the Issuer will not, without the consent of the Trustee and the Swap Counterparty, engage in any business other than the issuance or entry into of bonds, notes or other securities or the entry into of loans or other agreements for the payment or repayment of borrowed money, subject to the provisions of the Securitisation Act 2004 and the articles of incorporation of the Company, and provided always that such obligations are secured on assets of the Issuer other than the Company's share capital and those assets securing any other obligations of the Issuer and that they are entered into on a limited recourse and non-petition basis. In addition, the Issuer will be subject to certain other restrictions including that it will not, without the consent of the Trustee and the Swap Counterparty, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any further shares.

#### **Events of Default**

In respect of each Class of Notes, the conditions of the Notes contain the following events of default (each an "**Event of Default**"):

- (i) *[Include if Interests or Redemption by Instalments is applicable:* default is made for more than 14 days in the payment of any [interests]/[Instalment Amount] in respect of such Class of Notes or any of them, other than any [interests]/[Instalment Amount] due and payable on the scheduled maturity date;]
- (ii) the Issuer does not perform or comply with any one or more of its other obligations under such Class of Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is

		<p>not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been effectively given to the Issuer by the Trustee; or</p> <p>(iii) the occurrence of certain bankruptcy and insolvency related events or proceedings.</p> <p><b>Early Redemption</b></p> <p>The Notes may be redeemed early in any of the following circumstances:</p> <p>(i) following the occurrence of a Collateral Event (as described in more detail above);</p> <p>(ii) upon the occurrence of certain insolvency events with respect to the Swap Counterparty or the occurrence of an Event of Default or a Termination Event (each as defined in the Swap Agreement);</p> <p>(iii) certain tax events occur in respect of payments due by the Issuer under the Notes, but not instances where (x) withholding or deduction of taxes on the Notes arises solely in respect of FATCA; (y) withholding or deduction of taxes on the Notes arises solely as a result of the Noteholder's connection with the jurisdiction of incorporation of the Issuer (otherwise than by reason of the holding of any Note or receiving any payment in respect thereof); and (z) a withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC (or any other directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000);</p> <p>(iv) due to the adoption of, or any change in, any applicable law after the Issue Date, or 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 after such date, it becomes unlawful for the Issuer (i) to perform any absolute or contingent obligation to make a payment or delivery in respect of the Notes or any agreement entered into in connection with the Notes, (ii) to hold any Collateral or to receive a payment or delivery in respect of any Collateral or (iii) to comply with any other material provision of any agreement entered into in connection with any Notes; or</p> <p>(v) an Event of Default occurs with respect to the Notes (as described in more detail above).</p> <p><b>Meetings</b></p> <p>The conditions of the Notes will contain provisions for convening meetings of (i) Noteholders of a Class to consider the relevant matters solely affecting such Class and (ii) Noteholders of each Class to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p><b>Governing Law</b></p> <p>The Notes are governed by English law. Articles 86 to 97 of the</p>
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		Luxembourg act dated 10 August 1915 on commercial companies, as amended, are excluded and the Luxembourg Pledge shall be governed by Luxembourg law.
<b>C.9</b>	<b>Interest and yield; name of representative of debt Noteholders</b>	<p><b>See C.8 above, plus:</b></p> <p><b>Interest</b></p> <p><i>[Include if the Notes do not bear interest: Not applicable – None of the Notes shall bear interest.]</i></p> <p><i>[Include if the Notes bear interest: The [Class [●]] Notes shall bear interest. The [Class [●]] Notes shall be [Fixed Rate Notes] / [Floating Rate Notes].</i></p> <p><i>[If the type of interest is Fixed Rate, the following shall be applicable: The [Class [●]] Notes bear interest at [●] per cent. per annum (indicative only) but which may be higher or lower and in any event shall not be less than [●] per cent. per annum, such interest being payable in arrear on each Interest Payment Date.</i></p> <p>The Interest Payment Dates for the [Class [●]] Notes will be [●].]</p> <p><i>[If the type of interest is Floating Rate, the following shall be applicable: The [Class [●]] Notes bear interest on the basis of [specify the Floating Rate Option] [+/-] [●] per cent. per annum (indicative only) but which may be higher or lower and in any event shall not be less than [●] per cent. per annum with a designated maturity of [specify the designated maturity] [on [the screen page identified]] [capped at [insert amount]] / [floored at [insert amount]], such interest being payable in arrear on each Interest Payment Date.</i></p> <p>The Specified Interest Payment Dates for the [Class [●]] Notes will be [●].]</p> <p>The applicable rate of interest will be determined and notified to the Noteholders on or about the Issue Date. The amount of interest payable in respect of any Note will be determined by the Calculation Agent on the basis of its outstanding nominal amount as at the last day of the relevant Interest Accrual Period [and][,] the applicable Redemption Percentage <i>[Include if the Ongoing Fee Arrangement (i.e. GAP+) is applicable: and the applicable Fee Calculation Factor].</i></p> <p><b>Redemption</b></p> <p>See Element B.28 for information regarding redemption.</p> <p><b>Noteholder Facilitator</b></p> <p>Garantum Fondkommission AB (or any successor entity thereto) is the Noteholder Facilitator. However, the Noteholder Facilitator has limited rights, limited to selecting replacement swap counterparties and agents upon the occurrence of a Replacement Event in respect of the Swap Agreement.</p> <p>Garantum Fondkommission AB also acts as Distributor.</p> <p><b>Name of representative of debt security holders</b></p> <p>BNY Mellon Corporate Trustee Services Limited (acting in its capacity as Trustee).</p>
<b>C.10</b>	<b>Explanation on how the interest amount</b>	<i>[Include if the Notes do not bear interest: Not applicable – None of</i>

	is affected by the value of the underlying	the Notes bear interest.] [Include if the Notes bear interest: The [Class [●]] Notes shall bear interest. See C.9 above.]
C.11	Listing and admission to trading of the Notes	<p><i>Listing and Admission to Trading</i></p> <p>Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange and to be admitted to the Official List of the Irish Stock Exchange on or about the Issue Date. Application has also been made for the Notes to be admitted to trading and listed on the regulated market of the NASDAQ OMX Stockholm AB.</p> <p><i>Distribution</i></p> <p>The Notes may be offered to the public in Sweden.</p>
C.12	Minimum Denomination	<p>[Note: The denomination shall not be less than the SEK equivalent of EUR 1,000.]</p> <p>The minimum denomination of each Class of Notes will be SEK [10,000]/[●].</p>
D.2	Key information on the key risks that are specific to the Issuer	<p>In purchasing the Notes of a Class, investors assume certain risks which could materially adversely affect the Issuer and its ability to make payments due under each Class of Notes. These risks include the following:</p> <p><b>Securitisation Act 2004 and Compartments:</b> The Company is established as a <i>société anonyme</i> (public limited liability company) within the meaning of the Securitisation Act 2004, which means that claims against the Company by the Noteholders will be limited to the net proceeds of each Series of Notes and to the Collateral relating to such Series included in the relevant Compartment.</p> <p><b>The Issuer is a special purpose vehicle:</b> The Issuer has, and will have, no assets other than its issued and paid-up share capital, fees (as agreed) payable to it in connection with the issue of each Class of Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which the Series of Notes or other obligations are secured.</p> <p><b>Contracting on limited recourse basis:</b> The right of Noteholders to participate in the assets of the Issuer is limited to the net proceeds of each Class of Notes and to the Mortgaged Property relating to the Series of Notes.</p> <p><b>Allocation of Liabilities Among All Noteholders:</b> Any liability which is not a Series-specific liability (that is, it does not relate to any Compartment in respect of which any Series of Notes is issued), which is not otherwise funded, may be apportioned between the Series.</p> <p><b>Consequences of Winding-up Proceedings:</b> The Company is insolvency-remote, not insolvency-proof.</p> <p><b>Fees and Expenses:</b> Fees and expenses payable by the Issuer in respect of each Class of Notes (including fees payable to the Arranger and/or the Trustee) may rank senior to payments of principal of each Class of Notes.</p>

		<p><b>Possibility of U.S. withholding tax on payments:</b> The application of U.S. withholding tax to payments by the Issuer is not clear on the date of the Base Prospectus.</p> <p><b>Regulation of the Issuer by any regulatory authority:</b> The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation, save for registration with RCS Luxembourg and the approval of Luxembourg <i>Commission de Surveillance du Secteur Financier</i>. However, any additional requirement to be licensed or authorised could have an adverse effect on the Issuer and on the Noteholders of each Class of Notes.</p> <p><b>Anti-money laundering:</b> The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation.</p>
<p><b>D.3</b></p>	<p><b>Key information on the key risks that are specific to the debt securities</b></p>	<p><b>Limited recourse obligations:</b> Each Class of Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property over which security is given by the Issuer in favour of the Trustee on behalf of the Noteholders and other Secured Creditors.</p> <p><b>Security:</b> Each Class of Notes will have the benefit of Luxembourg and English law-governed security interests which are granted to the Trustee over the Collateral allocated to the Compartment.</p> <p><b>Meetings of Noteholders and modification:</b> The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally (or Noteholders of a Class to consider certain matters solely affecting such Class) and permit defined majorities or the Trustee to bind all Noteholders (or Noteholders of a Class).</p> <p><b>Trustee indemnity and remuneration:</b> The Trustee is not required to give notice to the Issuer of its determination that, in respect of a Class, an Event of Default has occurred or determine that an Enforcement Event has occurred or enforce the security unless directed by an Extraordinary Resolution passed by the Noteholders of the relevant Class. Prior to taking any action following direction by the Noteholders of the relevant Class, the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction and may decide not to take such action without being indemnified and/or secured and/or pre-funded to its satisfaction. So long as any Note is outstanding, the Issuer should pay the Trustee remuneration for its services. Such remuneration may reduce the amount payable to the Noteholders of the relevant Class.</p> <p><b>Priority of Claims:</b> Following a liquidation or on an enforcement of the security, the rights of the Noteholders to be paid amounts or delivered assets due under each Class of Notes will be subordinated.</p> <p><b>No gross-up:</b> The Noteholders of a Class of Notes will not be entitled to receive grossed-up amounts if any withholding tax or deduction for tax is imposed on payments in respect of such Class of Notes.</p> <p><b>Early Redemption:</b> The amount payable to Noteholders of a Class on an early redemption of such Class may be significantly lower than their initial investment and may even be zero as a result of an Early Redemption Event (for example following certain tax events in</p>

	<p>respect of the Issuer) where the net proceeds of the realisation of the Collateral are not, when taken with the amounts payable to the Issuer under the Swap Agreement, sufficient to discharge all payment obligations in accordance with the applicable priority payments.</p> <p><b>Market Value of Notes:</b> The market value of each Class of Notes will be volatile.</p> <p><b>Offer Period:</b> The Issuer reserves the right to refrain from commencing an offer of the Notes prior to the commencement of the Offer Period or withdrawing the offer of each Class of Notes at any time during prior to their issue.</p> <p><b>Exposure to Credit Suisse International:</b> Credit Suisse International acts as the Swap Counterparty under the Swap Agreement, as well as Disposal Agent and Calculation Agent and, as such, Noteholders are exposed to the credit risk of Credit Suisse International in each of these capacities.</p> <p><b>Nature of the Notes:</b> Each Class of Notes is a highly complex investment that involves substantial risks. Prospective investors may lose part, or in circumstances where [(i)] a Collateral Event occurs in respect of all Collateral Components and the net proceeds of the realisation of the Collateral are not, when taken with the amounts payable to the Issuer under the Swap, sufficient to discharge all payment obligations in accordance with the applicable priority payments; [<i>Include if a Class of Notes is fund-linked:</i> (ii) the Issuer is not entitled to a final payment under the Fund Swap Transaction, substantially all of their investment;] [<i>Include if a Class of Notes is equity-linked or equity index-linked:</i> and (iii) the Issuer is not entitled to a final payment under the Equity Swap Transaction, substantially all of their investment;] [<i>Include if a Class of Notes is certificate-linked:</i> and (iv) the Issuer is not entitled to a final payment in respect of the relevant Class Equity Original Collateral].</p> <p>[<i>Include if a Class of Notes is fund-linked, equity-linked or equity index-linked:</i></p> <p><b>[Fund] [or] [Equity] Linkage through [the Fund Swap Transaction] [or] [the Equity Swap Transaction]:</b> The return to an investor will, in part, depend on [<i>Include if a Class of Notes is fund-linked:</i> the Fund Swap Transaction referencing the performance of the Fund] [or] [<i>Include if a Class of Notes is equity-linked:</i> the Equity Swap Transaction referencing the performance of [<i>Include if a Class of Notes is equity-linked:</i> the Class Equity Basket] [or] [<i>Include if a Class of Notes is equity index-linked:</i> the Class Equity Index Basket] and which may be affected by factors including:</p> <ul style="list-style-type: none"> <li>• the performance of [<i>Include if a Class of Notes is fund-linked:</i> the Fund], [<i>Include if a Class of Notes is equity-linked:</i> the basket comprising a single share or multi shares referenced in the Class Equity Basket] [or] [<i>Include if a Class of Notes is equity index-linked:</i> the basket comprising a single equity index or multiple equity indices referenced in the Class Equity Index Basket];</li> <li>• the percentage “Participation” applied to [<i>Include if a Class of Notes is fund-linked:</i> the Fund Swap Transaction] [or] [<i>Include if a Class of Notes is equity-linked or equity index-linked:</i> the</li> </ul>
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		<p>Equity Swap Transaction];</p> <ul style="list-style-type: none"> <li>potential disruption events and/or adjustments in respect of [<i>Include if a Class of Notes is fund-linked</i>: the Fund Swap Transaction] [or] [<i>Include if a Class of Notes is equity-linked or equity index-linked</i>: the Equity Swap Transaction]; and</li> <li>[<i>Include if FX Factor is applicable</i>: the relative movements in the [USD/SEK,] [EUR/SEK,] [GBP/SEK] foreign exchange rates].]</li> </ul> <p>[<i>Include if a Class of Notes is fund-linked</i>:</p> <p><b>The Fund:</b> Certain events may occur in relation to the Fund or the units or shares of the Fund which may result in adjustments to the terms of a Fund-Linked Class and/or the Fund Swap Transaction, including:</p> <ul style="list-style-type: none"> <li>the use of estimates in calculation of the Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Fund Swap Transaction. Such estimates may include amounts reflecting the risk of holding the Fund as a hedge and the risk of inability to liquidate the Fund in full and without restrictions, which may result in a significant reduction of the Additional Payout Amount payable on the Fund-Linked Class of Notes;</li> <li>substitution of the Fund with one or more funds and allocating the weighting of each such replacement fund. This would affect the underlying risk profile of the Fund-Linked Class of Notes and could result in a significant reduction of any Additional Payout Amount payable on the Fund-Linked Class of Notes;</li> <li>calculating an unscheduled termination amount to be payable in lieu of the Swap Counterparty Equity Final Exchange Amount. Such unscheduled termination amount may be calculated at any time during the term of the Fund-Linked Class of Notes and may not reflect the actual performance of the reference portfolio at the final valuation date, and could result in a significant reduction of any Additional Payout Amount payable on the Fund-Linked Class of Notes.]</li> </ul> <p>[<i>Include if a Class of Notes is certificate-linked</i>:</p> <p><b>Certificate Linkage through the Class Equity Original Collateral:</b> In respect of the a Certificate-Linked Class of Notes, the return to an investor will, in part, depend on the return on the relevant Class Equity Original Collateral referencing the performance of the relevant Fund Basket and which may be affected by factors including:</p> <ul style="list-style-type: none"> <li>the performance of the basket of funds referenced in the Fund Basket;</li> <li>the percentage “Participation” applied under the terms of the relevant Class Equity Original Collateral; and</li> <li>potential disruption events and/or adjustments in respect of the relevant Class Equity Original Collateral.]</li> </ul> <p><b>Sale of the Collateral:</b> There can be no assurance that any amount</p>
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		<p>realised from the sale of the Collateral will be equal to the amount otherwise payable by the Swap Counterparty as a result of the early termination of the Swap Agreement.</p> <p><b>Replacement of the Swap Counterparty:</b> It is possible that the identity of the Swap Counterparty will change, and accordingly, the credit exposure of the Issuer and Noteholders to the Swap Counterparty may also change.</p> <p><i>[Include if a Class of Notes is certificate-linked:</i></p> <p><b>Substitution of the Equity Original Collateral Obligor:</b> It is possible that the identity of the Equity Original Collateral Obligor will change pursuant to the terms of the Class Equity Original Collateral, and accordingly, the credit exposure of the Issuer and the Noteholders to the Equity Original Collateral Obligor may also change.]</p> <p><b>Payments of Commissions to the Dealer and Distributor:</b> Commissions will be paid to the Dealer, out of which commission will be paid to the Distributor in respect of the Notes purchased by it.</p> <p><b>Possibility of U.S. withholding tax on payments:</b> The application of U.S. withholding tax to payments by the Issuer is not clear on the date of the Base Prospectus, which has consequential impact on liquidity, credit, increased regulation and nationalisation and systematic risk.</p> <p><b>Recent Global Events:</b> Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.</p> <p><b>Foreign Exchange Risk:</b> Noteholders shall be exposed to foreign exchange risk of [EUR], [USD] or [GBP] (or any other applicable currency) in respect of which Eligible Securities <i>[Include if a Class of Notes is certificate-linked:</i> or the funds comprised in the Fund Basket] are denominated in against SEK.</p> <p><b>No disclosure of information; disclosure of confidential information:</b> No Class of Notes creates any obligation on the part of the Issuer or Credit Suisse International or any other person to disclose to any Noteholder any relationship or information (whether or not confidential).</p>
E.2b	<p><b>Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks</b></p>	<p>The net proceeds of the issue of the Notes will be applied by the Issuer, subject to the provisions of the Securitisation Act 2004, to the purchase the Original Collateral <i>[Include if a Class of Notes is certificate-linked:</i> and the Class Equity Original Collateral] <i>[Include if Ongoing Fee Arrangement (i.e. GAP+) is applicable:</i> and pay the applicable Commission to the Dealer].</p> <p>In consideration for the issue of the Notes by the Issuer, the Dealer will procure that the Swap Counterparty will enter into the Asset Swap Transactions, <i>[Include if a Class of Notes is fund-linked:</i> the Fund Swap Transaction] [and] <i>[Include if a Class of Notes is equity-linked or equity index-linked:</i> the Equity Swap Transaction] with the Issuer.</p>
E.3	<p><b>Terms and conditions of offer</b></p>	<p><b>Offer Period</b></p> <p>Applications to subscribe for the Notes may be made during the Offer</p>

	<p>Period, subject to passporting of the Base Prospectus into Sweden.</p> <p><b>Early Closing of the Subscription of the Notes</b></p> <p>The Issuer reserves the right for any reason to close the Offer Period early.</p> <p>Any early closure of the Offer will be published on the Irish Stock Exchange's website (<a href="http://www.ise.ie">www.ise.ie</a>).</p> <p><b>Description of the application and settlement process</b></p> <p>A prospective investor should contact the Distributor (Garantum Fondkommission AB) during the Offer Period. A prospective investor will acquire Notes in accordance with the arrangements existing between the Distributor and its customers relating to the subscription of securities generally and not directly with the Issuer or the Dealer.</p> <p>Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than Sweden wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted due to selling restrictions and thus that the application may be rejected by the Distributor; and (b) contact its financial adviser, bank or financial intermediary for more information.</p> <p>The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys by debit of a cash amount on or before the Issue Date and, where acquired from the Distributor, in accordance with the procedures specified by the Distributor. Allotted Notes will be delivered to a securities account of each Noteholder as soon as practicable after the agreed date of purchase.</p> <p><b>Offer Price</b></p> <p>In respect of each Class of Notes, the Notes will be offered by the Distributor at their Issue Price in respect of such Class <i>plus</i> a subscription fee of up to [2]/[●]% of such Issue Price. Such subscription fee shall be charged by and payable to the Distributor, and, for the avoidance of doubt, shall not be payable by the Issuer, the Dealer or the Swap Counterparty.</p> <p><b>Conditions to which the offer is subject and results of the offer</b></p> <p>Offers of the Notes by the Distributor are conditional on their issue. The Issuer will in its sole discretion determine the final amount of Notes issued up to a limit of SEK [200,000,000] / [●] in respect of the [Class [●]] of Notes and SEK [200,000,000] / [●] in respect of the [Class [●]] of Notes [<i>Repeat as necessary</i>]]. Notes will be allotted subject to availability in the order of receipt of investors' applications. The Initial Aggregate Nominal Amount of the Series issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the amount of Notes which will have been agreed to be purchased as of [●]. The precise Initial Nominal Amount of the Series to be issued will be published on the Irish Stock Exchange's website (<a href="http://www.ise.ie">www.ise.ie</a>) and filed with the Central Bank. Notes acquired from the Distributor will be allotted subject to availability in the order of receipt of investors' applications.</p>
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<p><b>E.4</b></p>	<p><b>Interest material to the offer including conflicts of interests</b></p>	<p><i>[Include if Ordinary Fee Arrangement (i.e. GAP) is applicable:</i> The total commission payable by the Issuer to the Dealer in respect of the issue of the Notes will not exceed [6.5]/[●]% of the Aggregate Nominal Amount of the Notes issued. The Issuer will fund the payment of such commission using a portion of the issue proceeds. The Dealer will use such commission payable by the Issuer to pay a corresponding commission to the Distributor.]</p> <p><i>[Include if Ongoing Fee Arrangement (i.e. GAP+) is applicable:</i></p> <p>The Dealer is entitled to annual commissions which are payable by the Issuer. These annual commissions will be satisfied through:</p> <p>(i) the notional amount of the Asset Swap Transaction and <i>[Include if a Class of Notes is fund-linked: the Fund Swap Transaction]</i> [and] <i>[Include if a Class of Notes is equity-linked or equity index-linked: the Equity Swap Transaction]</i> in respect of the relevant Class of Notes for the purposes of payments by the Swap Counterparty to the Issuer being reduced (and therefore the amount due from the Swap Counterparty under each Asset Swap Transaction and each <i>[Fund Swap Transaction]</i> [and] <i>[Equity Swap Transaction]</i> being reduced) by the applicable FCF Differential (which is expected to be approximately 1%) on or around a scheduled date each year (an “<b>FCF Observation Date</b>”). These reductions have the effect of reducing the obligations of, and therefore releasing value to, the Swap Counterparty, which value the Swap Counterparty will account for to the Dealer in partial satisfaction of the Issuer’s obligations to pay the commissions. These reductions are effected through the application of the Fee Calculation Factor (described in paragraphs (b) and (c) below) under the terms of the Asset Swap Transactions <i>[Include if a Class of Notes is fund-linked: and the Funs Swap Transaction]</i> <i>[Include is a Class of Notes is equity-linked or equity index-linked: and the Equity Swap Transaction]</i>; and</p> <p>(ii) to the extent possible, the sale of a portion of each Class Collateral Component Amount on or around each FCF Observation Date equal to the relevant FCF Collateral Liquidation Amount (as defined below).</p> <p>If the FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount is equal to or greater than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral Component Amount, the Calculation Agent shall notify the Disposal Agent and the Disposal Agent will sell a portion of such Class Collateral Component Amount equal to the FCF Collateral Liquidation Amount (where applicable, rounded down to the nearest integer multiple of the denomination or minimum trading lot) of such Class Collateral Component Amount. If the relevant FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount is less than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral Component Amount, no such sale shall be occur. If a sale takes place, the Disposal Agent will account to the Dealer for any realised proceeds in partial satisfaction of the Issuer’s obligation to pay the commissions.</p>
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	<p>The Dealer is also entitled to a commission payable by the Issuer upon payment by the Swap Counterparty of an amount equal to the relevant Swap Counterparty Equity Final Exchange Amount under each [Fund Swap Transaction] [and] [Equity Swap Transaction] and which is satisfied by a deduction of the Performance Fee in the calculation of such amount. The Performance Fee in respect of a Class is equal to 10% of such amount by which the Swap Counterparty Equity Final Exchange Amount (prior to the deduction of such Performance Fee in its calculation) that would otherwise have been receivable by the Issuer under the [Fund Swap Transaction] [or] [Equity Swap Transaction] relating to that Class exceeds [●]% of the Initial Class Aggregate Nominal Amount of such Class (as adjusted for repurchases and cancellations). The Swap Counterparty will account to the Dealer for an amount equal to any such Performance Fee in satisfaction of the Issuer's obligation to pay such additional commission.</p> <p>The commissions will comprise such amounts generated by:</p> <ul style="list-style-type: none"> <li>(a) the sale of any Original Collateral as described above;</li> <li>(b) the application of the Fee Calculation Factor to final exchange amount receivable by the Issuer under each Asset Swap Transaction;</li> <li>(c) the application of the Fee Calculation Factor to the notional amount in the calculation of any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer in respect of the relevant [Fund Swap Transaction] [and] [Equity Swap Transaction]; and</li> <li>(d) the deduction of any Performance Fee in the calculation of any Swap Counterparty Equity Final Exchange Amount (prior to the relevant Additional Payout Amount being paid in respect of such Class) which will ultimately depend, in part, on the relevant [Fund Swap Transaction referencing the performance of the Fund] [or] [Equity Swap Transaction referencing the performance of <i>[Include if a Class of Notes is equity-linked: the Class Equity Basket] [or] [Include if a Class of Notes is equity index-linked: Class Equity Index Basket]</i>].</li> </ul> <p>On each FCF Observation Date, in accordance with paragraphs (b) and (c) above, the application of the Fee Calculation Factor decreases the existing final exchange amount of each Asset Swap Transaction and reduces any Additional Payout Amount that would be payable under each Class of Notes. The amounts generated by these reductions are accounted for to the Dealer in respect of commissions payable by the Issuer, together with the sale proceeds in paragraph (a) above and the Performance Fee in paragraph (d) above, the latter of which is payable where the Swap Counterparty Equity Final Exchange Amount (prior to the deduction of such Performance Fee in its calculation) that would otherwise have been receivable by the Issuer under the [Fund Swap Transaction] [or] [Equity Swap Transaction] relating to that Class exceeds [●]% of the Initial Class Aggregate Nominal Amount of the relevant Class and is equal to 10% of any amount payable which is in excess of [●]% of such Initial Class Aggregate Nominal Amount.</p> <p>The Dealer will use such commissions payable by the Issuer to pay</p>
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		<p>corresponding commissions to the Distributor. The commission payable to the Distributor that corresponds to amounts described in paragraph (a) above will be paid by the Dealer to the Distributor in respect of the issue of the Notes on the fifth Business Day following the sale of the relevant Original Collateral. The commission payable to the Distributor that corresponds to amounts described in (b) above will be paid by the Dealer to the Distributor on the fifth Business Day following each FCF Observation Date (as described above). The commissions described in (c) and (d) above are payable on the scheduled maturity date of the Notes or, if applicable, the relevant Early Redemption Date of the Notes.</p> <p>In respect of a Class of Notes, where no Class Original Collateral Amount is sold as described above, while the final exchange amount receivable by the Issuer under the corresponding Asset Swap Transaction is reduced by the application of the Fee Calculation Factor, the payments due from the Issuer to the Swap Counterparty under such Asset Swap Transaction will remain the same.</p> <p>Notwithstanding the above, the Dealer and the Distributor have agreed that if any portion of the Notes is held by the Dealer and/or any of its affiliates, the amount required to be paid to the Distributor will be reduced by the proportion which such portion of Notes held by the Dealer and/or its affiliates bears to all of the outstanding Notes.</p> <p>For the purposes of this Summary:</p> <p>“<b>FCF Collateral Liquidation Amount</b>” means, in respect of any FCF Observation Date and a Class Collateral Component Amount, an amount determined by the Calculation Agent equal to: (A) the FCF Differential <i>multiplied by</i> (B) the Class Collateral Component Amount as at the Issue Date (as adjusted for repurchases and cancellations) and, where applicable, rounded down to the nearest integer multiple of the denomination or minimum trading lot of such Class Collateral Component Amount.</p> <p>“<b>FCF Differential</b>” means, in respect of any FCF Observation Date, a percentage equal to the Fee Calculation Factor applicable at the immediately preceding FCF Observation Date <i>minus</i> the Fee Calculation Factor applicable at such FCF Observation Date. Where the FCF Observation Date is the earliest FCF Observation Date, the Fee Calculation Factor applicable at the immediately preceding FCF Observation Date shall be deemed to be 100%.]</p> <p>Various potential and actual conflicts of interest may arise between the interests of the Noteholders and Credit Suisse International, in its roles as the Swap Counterparty, as a result of the various businesses, management, investment and other activities of Credit Suisse International in respect of itself and in relation to an Original Collateral Obligor [<i>Include if a Class of Notes is certificate-linked: and/or the Equity Original Obligor</i>].</p>
E.7	<b>Estimated expenses charged to the investor</b>	Noteholders will be charged up to [2]/[●]% of the Issue Price of the Notes by, and payable to, Garantium Fondkommission AB in its capacity as Distributor of the Notes.

## **RISK FACTORS**

*The purchase of Notes may involve substantial risks and is suitable only for sophisticated purchasers who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in any Notes. The Issuer believes that the following factors may affect either its ability to fulfil its obligations under a Series or Class of Notes or the performance of a Series or Class of Notes. Some of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The Issuer believes that the factors described below, together with the risk factors set out in the Secured Note Programme Base Prospectus, represent the principal risks inherent in investing in any Notes, but the inability of the Issuer to pay principal (including any Additional Payout Amount) or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors in the Notes should read the sections of the Secured Note Programme Base Prospectus (including the section entitled “Risk Factors” on page 18 thereof) which have been incorporated by reference into this Base Prospectus and the detailed information set out elsewhere in this Base Prospectus.*

*Each Class of Notes within a Series is a highly complex investment that involves substantial risks. Prospective investors in the relevant Series or Class of Notes should read the detailed information set out in this Base Prospectus for information specifically related to the particular type of Notes of the relevant Series or Class which the investor intends to purchase.*

*Prospective investors should consult the section guide at the end of the section of this Base Prospectus entitled “Transaction Description” for guidance on locating information set out in this Base Prospectus relating to the Notes generally and the relevant Series or Class of Notes with specific features.*

*Prospective investors should, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision.*

*Prospective investors must note that the potential return on the Notes of a Series comprising multiple Classes is not expected to be the same across the Classes for the reasons outlined in more detail below and in the other sections of this Base Prospectus.*

### **GENERAL RISKS APPLICABLE TO ALL CLASSES**

#### **Offer Period**

The Issuer reserves the right to refrain from commencing the offer of a Series of Notes prior to the commencement of the relevant Offer Period or withdrawing the offer of a Series of Notes at any time prior to the Issue Date. If the offer of a Series of Notes is withdrawn prior to the Issue Date of such Series, such offer will be null and void. In such case, any amounts paid by an investor to the Distributor in relation to the purchase of any Notes will be returned to such investor by the Distributor but, depending on the agreement(s) in place between the investor and the Distributor and/or the Distributor’s distribution policies, interest may or may not accrue on such amounts. There may also be a time lag between the cancellation or withdrawal of the offer as applicable, and the return of any such amounts and, unless otherwise agreed with, and paid by, the Distributor, no amount will be payable to investors as compensation in respect thereof and investors may be subject to reinvestment risk.

In addition, the Issuer may close the offer of a Series of Notes early, whether or not subscriptions have reached the maximum size of the offer, by immediately suspending the acceptance of further subscription requests and by giving notice thereof. In such circumstances, the early closing of the offer will have an impact on the aggregate amount of Notes issued and therefore may have an effect on the liquidity of the Notes of such Series.

Furthermore, in certain circumstances, the Issuer may have the right to postpone the originally designated issue date of a Series of Notes. In the event that the issue date is so delayed, no compensation or other amount in respect of interest shall accrue and be payable in relation to a Series of Notes, unless otherwise

agreed with the Distributor and/or specified in its distribution policies, and paid by the Distributor. Investors will have the right, within a prescribed time period, to withdraw their acceptance of the offer as a result of such postponement.

### **Initial Issue Size**

The Issuer may issue more Notes than those which are to initially be purchased by third party investors. The Dealer (or any of its affiliates) may purchase and hold a portion of the Initial Aggregate Nominal Amount of the Notes of a Series in inventory for the purpose of meeting any investor interest in the future (including interest from the Distributor). Prospective investors in the Notes should therefore not regard the issue size of the Notes as indicative of the depth or liquidity of the market, or of the demand, for such Notes upon issue.

### **Exposure to Credit Suisse International**

Even though Notes are not issued by Credit Suisse International, Credit Suisse International acts as the Swap Counterparty under the Swap Agreement, as well as Disposal Agent and Calculation Agent. Exposure of Noteholders to Credit Suisse International in each of these capacities is described below and elsewhere in this Base Prospectus.

It is important that prospective investors are aware of the extent of the aggregate exposure to Credit Suisse International.

In the event of the insolvency of Credit Suisse International, the value of the Notes of a Series would drop significantly and an investor may lose some or, potentially, all of their investment in the Notes of such Series. In addition, in such circumstances, unless a replacement Swap Counterparty was appointed within 30 calendar days of any such occurrence, as described in more detail below (and in respect of which no assurance can be given), the Swap Agreement would terminate and the Notes of a Series would be subject to early redemption.

As Credit Suisse International is also the Disposal Agent, an insolvency of Credit Suisse International would be likely to cause a significant delay in the sale of (a) the Original Collateral, (b) the Class Equity Original Collateral (if applicable) and (c) any Eligible Securities delivered to the Issuer under the Credit Support Annex (which may only be so sold in connection with an early redemption of Notes as a result of the termination of the Swap Agreement occurring as a result of the occurrence of an Event of Default in respect of the Swap Counterparty thereunder) and therefore also a significant delay in the redemption of any Notes. Such delays may potentially last for months or years and investors may never recover their investment in whole or at all.

More generally, Credit Suisse International may be subject to certain other conflicts of interest in connection with its roles under a Series of Notes as described in more detail below.

### **Risks relating to the business of Credit Suisse International**

Credit Suisse International is an English bank whose principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit. The primary objective of Credit Suisse International is to provide comprehensive treasury and risk management derivative product services. It has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets.

Certain risks, including those described below, may impact the ability of Credit Suisse International to execute its strategy and may affect its business activities, financial condition, results of operations and prospects. Because the business of a bank such as Credit Suisse International is inherently exposed to risks that become apparent only with the benefit of hindsight, risks of which it is not presently aware or which it currently does not consider material could also impact its ability to execute its strategy and could affect its business activities. The sequence in the risk factors relating to banks and presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences.

### ***Regulatory and legislative changes may adversely affect business***

Fundamental changes in the laws and regulations affecting financial institutions could have a material and adverse effect on a bank's business. In the wake of the 2007-2009 financial crisis and the continuing instability in global financial markets, regulators and legislators have proposed, have adopted or are actively considering, a wide range of changes to these laws and regulations. These measures are generally designed to address the perceived causes of the crisis and to limit the systemic risks posed by major financial institutions.

A number of measures have been adopted and will be implemented over the next several years; some are subject to legislative action or to further rulemaking by regulatory authorities before final implementation. As a result, there is a high level of uncertainty regarding a number of the measures, including whether (or the form in which) they will be adopted, the timing and content of implementing regulations and interpretations and/or the dates of their effectiveness.

Notwithstanding attempts by regulators to co-ordinate their efforts, the measures adopted or proposed differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution. The absence of a co-ordinated approach, moreover, disadvantages institutions headquartered in jurisdictions that impose relatively more stringent standards. The United Kingdom has adopted capital and liquidity requirements for its major international banks that are some of the strictest among the major financial centres. This could disadvantage banks incorporated in England and Wales when they compete with peer financial institutions subject to more lenient regulation or with unregulated non-bank competitors.

The planned and potential regulatory and legislative developments in the United Kingdom and in other jurisdictions in which a bank has operations may have a material adverse effect on its business, on the profitability or viability of certain business lines globally or in particular locations, and in some cases on its ability to compete with other financial institutions. They are likely to be costly to implement and could also have a negative impact on a bank's legal structure or business model. Finally, the uncertainty related to or the implementation of legislative and regulatory changes may have a negative impact on a bank's relationships with clients and its success in attracting client business.

### ***Performance in the financial services industry is affected by market conditions and the macro-economic climate***

The financial services industry prospers in conditions of economic growth; stable geopolitical conditions; transparent, liquid and buoyant capital markets and positive investor sentiment. An economic downturn, continued low interest rates or a severe financial crisis can negatively affect a bank's revenues and ultimately its capital base.

A market downturn and weak macro-economic conditions can be precipitated by a number of factors, including geopolitical events, changes in monetary or fiscal policy, trade imbalances, natural disasters, pandemics, civil unrest, war or terrorism. Because financial markets are global and highly interconnected, even local and regional events can have widespread impacts well beyond the countries in which they occur. A crisis could develop, regionally or globally, as a result of disruptions in emerging markets as well as developed markets that are susceptible to macro-economic and political developments, or as a result of the failure of a major market participant. The unresolved Eurozone and US fiscal issues demonstrate that macro-economic and political developments can have unpredictable and destabilising effects.

Because banks generally have very substantial exposures to other major financial institutions, the failure of one or more of such institutions could have a material effect on any such bank.

### ***Operational risk may increase costs and impact revenues***

A bank's businesses are generally dependent on its ability to process a large number of complex transactions across multiple and diverse markets in different currencies, to comply with the requirements of many different legal and regulatory regimes to which it is subject and to prevent, or promptly detect and stop, unauthorised, fictitious and fraudulent transactions. Operational risk management and control systems and processes are generally used to help ensure that the risks associated with a bank's activities, including those arising from process error, failed execution, fraud, systems failure, cyber-attacks, breaches of information security and failure of security and physical protection, are appropriately controlled. If such internal controls fail or prove ineffective in identifying and remedying such risks, a bank could suffer operational failures that

might result in material losses. In addition, despite any contingency plans in place, a bank's ability to conduct business may be adversely affected by a disruption in the infrastructure that supports its businesses and the communities in which it is located. This may include a disruption due to natural disasters, pandemics, civil unrest, war or terrorism and involve electrical, communications, transportation or other services used by it or third parties with whom it conducts business.

***Ability to identify or capture revenue or competitive opportunities, or retain and attract qualified employees***

The financial services industry is characterised by intense competition, continuous innovation, detailed (and sometimes fragmented) regulation and ongoing consolidation. Banks face competition both at the level of local markets and individual business lines, and from global financial institutions. Barriers to entry in individual markets and pricing levels are being eroded by new technology.

A bank's competitive strength and market position could also be eroded if it is unable to identify market trends and developments, does not respond to them by devising and implementing adequate business strategies, adequately developing or updating its technology (particularly in trading businesses), or is unable to attract or retain the qualified people needed to carry them out.

***Business relationships***

There is no limitation or restriction on Credit Suisse International or any of its affiliates with regard to acting as adviser (or acting in any other similar role) to the other parties or persons or entering into, performing or enforcing its rights in respect of a broad range of transactions in various capacities for its own account and for the account of other persons from time to time in relation to its business. This, and other future activities of it and/or its affiliates, may give rise to conflicts of interest. These interests may conflict with the interests of the Noteholders, and the Noteholders may suffer a loss as a result.

The Issuer and/or the Swap Counterparty may have existing or future business relationships with the Original Collateral Obligor or the Equity Original Collateral Obligor (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect their and/or its interests (in whatever capacity) arising therefrom (including, without limitation, any action which might constitute or give rise to a Collateral Event or Equity Collateral Event) without regard to the consequences of a Noteholder.

The Issuer and the Swap Counterparty may deal in any derivatives linked to the Class Equity Original Collateral and any other obligations of the Equity Original Collateral Obligor and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Equity Original Collateral Obligor and may act with respect to such business in the same manner as each of them would have had the Notes not been issued, regardless of whether any such action might have an adverse effect on the Class Equity Original Collateral, the Equity Original Collateral Obligor or the position of a Noteholder or otherwise.

***Material legal and regulatory risks arise in the conduct of business***

The nature of a bank's business subjects it to significant regulatory oversight and liability risk. Banks are generally subject to many different legal, tax and regulatory regimes and may be involved in a variety of claims, disputes, legal proceedings and/or government investigations in jurisdictions where it is active. Any such proceedings could expose it to substantial monetary damages and legal defence costs, injunctive relief and/or criminal and/or civil penalties, in addition to potential regulatory restrictions on its businesses.

A further summary of economic, regulatory and other issues relevant to banks such as Credit Suisse International, as well as to other entities, is included under "*Recent Global Events*" below.

A description of Credit Suisse International is set out under the section of this Base Prospectus entitled "*Description of Credit Suisse International*".

**Nature of Notes**

None of the Issuer, the Trustee, the Agents or Credit Suisse International or any of its affiliates makes any representation as to the performance of any Class of Notes of a Series either in absolute terms or relative to

other investments. Prospective investors must note that they may lose part or, in certain circumstances substantially all of their entire investment in the Notes of a Class or Series and must only invest in the Notes of a Class or Series if they fully understand the nature and risks of such Notes and also are prepared to risk such loss. Furthermore, prospective investors must note that the performance and value of one Class of Notes may vary compared to the performance and value of any other Class of Notes. The payments relating to each Class of Notes are set out in more detail in the section of this Base Prospectus entitled “*Transaction Description*”.

Notes are highly complex investments and involve substantial risks. The performance of, and return under, each Class of Notes of a Series will depend on a variety of different factors (in addition to those in the risk factors set out in the Secured Note Programme Base Prospectus) specific to the Notes of a Series and may include the following if specified as applicable in the applicable Final Terms:

- (a) the performance and value of the Original Collateral together with the performance and financial condition of the Original Collateral Obligors (such Original Collateral and Original Collateral Obligors being identical across all Asset Swap Transactions in respect of a Series of Notes), each as described below and in the section entitled “*Transaction Description*”;
- (b) in respect of a Fund-Linked Class of Notes, the performance of the Fund referenced by the Fund Swap Transaction in respect of such Fund-Linked Class of Notes (as determined by reference to the relevant formula and algorithm);
- (c) in respect of an Equity-Linked Class of Notes, the performance of the Class Equity Basket (and the share or shares comprising the Class Equity Basket) and the USD/SEK, EUR/SEK and/or GBP/SEK foreign exchange rates (as applicable) referenced by the Equity Swap Transaction in respect of such Equity-Linked Class of Notes;
- (d) in respect of an Equity Index-Linked Class of Notes, the performance of the Class Equity Index Basket (and the index or indices comprising the Class Equity Index Basket) and the USD/SEK, EUR/SEK and/or GBP/SEK foreign exchange rates (as applicable) referenced by the Equity Swap Transaction in respect of such Equity Index-Linked Class of Notes;
- (e) in respect of a Certificate-Linked Class of Notes, the return on the Class Equity Original Collateral, which in part depends on the performance of the Fund Basket (as defined below) (and the funds comprising the Fund Basket) reference by the Class Equity Original Collateral together with the performance and financial condition of the Equity Original Collateral Obligor;
- (f) the applicable Redemption Percentage specified in the applicable Final Terms, as described in more detail below in the section entitled “*Transaction Description*”;
- (g) the performance and financial condition of Credit Suisse International, in its various capacities in respect of the Notes of a Series including, without limitation, as (i) Swap Counterparty in respect of the Swap Agreement, (ii) Calculation Agent responsible for making calculations and determinations under the Notes of a Series and the corresponding Swap Agreement and (iii) Disposal Agent responsible for liquidating (A) the Original Collateral, (B) the Class Equity Original Collateral (if applicable) and (C) any Eligible Securities delivered to the Issuer under the Credit Support Annex (subject, in respect of its functions as Swap Counterparty, Calculation Agent and Disposal Agent to its potential replacement as a result of the occurrence of a Replacement Event, as described in more detail below);
- (h) the performance and value of any Eligible Securities delivered to the Issuer under the Credit Support Annex in connection with the Issuer’s net exposure to the Swap Counterparty under the Swap Agreement, together with the performance and financial condition of any obligor in respect of such Eligible Securities;
- (i) the performance and financial condition of any replacement Swap Counterparty, Calculation Agent and/or Disposal Agent, from time to time, in the event that Credit Suisse International (or any replacement thereof) is ever replaced in any of such capacities as a result of the occurrence of a Replacement Event, as described in more detail below; and

- (j) if the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, the applicable Fee Calculation Factor (which is a percentage rate ranging from 100% to the applicable final Fee Calculation Factor on the scheduled maturity date) that will be applied in reducing the Original Collateral relating to such Class and the calculation of any amounts receivable by the Issuer under the Asset Swap Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Class, and the deduction of any Performance Fee in the calculation of any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Class (which will, in part, be determined by the performance of the Fund, the Class Equity Basket or the Class Equity Index Basket (as applicable) referenced by the relevant transaction).

The occurrence of certain events or other developments occurring in respect of one, some or all of the above may have an effect on the liquidity of the Notes of a Series and may have a material adverse effect on the value of the Notes of any Class or all Classes of a Series and the value of such Notes may fall. Furthermore, the occurrence of any such events or developments may also reduce the amount payable under the Notes of a Series. Prospective investors may lose part of, or in circumstances where (i) a Collateral Event occurs in respect of all Collateral Components and the net proceeds of the realisation of the Collateral are not, when taken with the amounts payable to the Issuer under the Asset Swap Transaction, sufficient to discharge all payment obligations in accordance with the applicable priority payments, and (ii) the Issuer is not entitled to any payment under the Fund Swap Transaction (in the case of a Fund-Linked Class of Notes), the Equity Swap Transaction (in the case of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes) or in respect of the Class Equity Original Collateral (in the case of a Certificate-Linked Class of Notes), substantially all of their investment.

The Issuer's ability to meet its obligations under the Notes of a Series will also be dependent on the Issuing and Paying Agent, the Registrar, the Transfer Agent and the Custodian performing their respective obligations under the Transaction Documents, including the making of relevant payments when received. Accordingly, Noteholders are exposed, among other things, to the creditworthiness of (a) Credit Suisse International as Swap Counterparty, Calculation Agent and Disposal Agent, (b) the Original Collateral Obligors, (c) the Issuing and Paying Agent and (d) the Custodian.

More detail in respect of certain risks relating to the factors outlined above, along with other risks associated with Notes are set out below, and elsewhere in this Base Prospectus and in the risk factors set out in the Secured Note Programme Base Prospectus. Accordingly, prospective investors who consider purchasing the Notes of a Class or Series should reach an investment decision only after carefully considering the suitability of such Notes in light of their particular circumstances. Investment in Notes may only be suitable for investors who:

- (a) have substantial knowledge and experience in financial, business matters and expertise in assessing credit risk which enable them to evaluate the merits and risks of an investment in Notes and the rights attaching to Notes;
- (b) are capable of bearing the economic risk of an investment in Notes for an indefinite period of time;
- (c) are acquiring Notes for their own account (as principal and not as agent) for investment, not with a view to resale, distribution or other disposition of Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (d) recognise that it may not be possible to make any transfer of Notes for a substantial period of time, if at all.

#### **Payments of Additional Payout Amount and Postponement of Scheduled Maturity of the Notes**

The Additional Payout Amount (if any) payable on a Note of a Class of a Series on the date specified in the applicable Final Terms, subject to any postponement in the settlement of the relevant Fund Swap Transaction, Equity Swap Transaction or Class Equity Original Collateral (as applicable) (such date, the "**Additional Payout Amount Payment Date**") will be an amount equal to that Note's *pro rata* share of (a) the Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer under the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Class of Notes or (b) the

relevant Class Equity Original Collateral Redemption Amount (if any) receivable by the Issuer under the relevant Class Equity Original Collateral. In respect of a Fund-Linked, Equity-Linked or Equity Index-Linked Class of Notes, if the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, such Additional Payout Amount (if any) will take into account the application of the applicable Fee Calculation Factor as at the Additional Payout Amount Payment Date and the deduction of any Performance Fee relating to such Class (as more fully described in “*Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable*” below) depending, in part, on the performance of the Fund, the Class Equity Basket or the Class Equity Index Basket (as applicable) referenced by such transaction.

Accordingly, the return to an investor on the Additional Payout Amount Payment Date in such circumstances will, in part, depend on the performance of (i) the Fund (in the case of a Fund-Linked Class of Notes), (ii) the Class Equity Basket (in the case of an Equity-Linked Class of Notes), (iii) the Class Equity Index Basket (in the case of an Equity Index-Linked Class of Notes) or (iv) the funds comprised in the Fund Basket (in the case of a Certificate-Linked Class of Notes). In the event that:

- (a) due to the terms of the Fund Swap Transaction relating to a Fund-Linked Class of Notes, no Swap Counterparty Equity Final Exchange Amount is payable to the Issuer thereunder, the Additional Payout Amount on such Class of Notes will be zero;
- (b) due to the terms of the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, no Swap Counterparty Equity Final Exchange Amount is payable to the Issuer thereunder, the Additional Payout Amount on such Class of Notes will be zero;  
or
- (c) due to the terms of the Class Equity Original Collateral, no Class Equity Original Collateral Redemption Amount is payable to the Issuer thereunder, the Additional Payout Amount on such Class of Notes will be zero.

The performance of each of the Fund, the Class Equity Basket, the Class Equity Index Basket and/or the Fund Basket referenced by the Class Equity Original Collateral is expected to be different from that of the others and, accordingly, the differences in performance can also affect any Additional Payout Amount payable in respect of each Class of Notes of a Series. Accordingly, investors should note that different Additional Payout Amounts may be payable in respect of different Classes of Notes of a Series and it may be the case that (i) an Additional Payout Amount may be payable in respect of a Fund-Linked Class of Notes, but not in respect of an Equity-Linked Class, an Equity Index-Linked Class or a Certificate-Linked Class of Notes, (ii) an Additional Payout Amount may be payable in respect of an Equity-Linked Class of Notes, but not in respect of a Fund-Linked Class, an Equity Index-Linked Class or a Certificate-Linked Class of Notes, (iii) an Additional Payout Amount may be payable in respect of an Equity Index-Linked Class of Notes, but not in respect of a Fund-Linked Class, an Equity-Linked Class or a Certificate-Linked Class of Notes, or (iv) an Additional Payout Amount may be payable in respect of a Certificate-Linked Class of Notes, but not in respect of a Fund-Linked Class, an Equity-Linked Class or an Equity Index-Linked Class of Notes.

Therefore holders of a particular Class of Notes of a Series may receive less than holders of some or all of any other Classes of Notes of such Series as a result of the performance of the Fund, the Class Equity Basket, the Class Equity Index Basket or the Fund Basket referenced by the Class Equity Original Collateral.

Please see, in particular, the sections below in these risk factors entitled “*Certain risks relating to the Fund*”, “*Certain risks relating to the Class Equity Basket and the Class Equity Index Basket*” and “*Certain risks relating to the basket of funds referenced by the Class Equity Original Collateral*”.

## **Risks relating to the Collateral**

### ***No investigations***

No investigations, searches or other enquiries have been made by or on behalf of the Issuer, the Trustee, any Agent or Credit Suisse International (or any of its affiliates) in respect of the Original Collateral or the Original Collateral Obligors. No representations or warranties, express or implied, have been given by the Issuer, the Trustee, any Agent or Credit Suisse International (or any of its affiliates) or any other person on their behalf in respect of the Original Collateral or the Original Collateral Obligors. Any publicly available information in respect of the Original Collateral or the Original Collateral Obligors has been accurately

reproduced and no facts have been omitted that would render such reproduced information inaccurate or misleading.

### ***Collateral***

The Collateral relating to any Class of Notes of a Series will be subject to credit, liquidity and interest rate risks. In the event of an insolvency of the issuer or an obligor in respect of any Collateral, various insolvency and related laws applicable to such issuer or an obligor may (directly or indirectly) limit the amount the Issuer or the Trustee may recover in respect of such Collateral.

The Issuer will enter into a Credit Support Annex as part of its Swap Agreement, and so by virtue of the collateral requirements applicable to any such arrangements, the Collateral held by it from time to time may comprise assets other than, or in addition to the Original Collateral in respect of each Class of Notes of a Series, or may comprise less Collateral than the amount held by it on the Issue Date, as assets will be required to be delivered by the Issuer to the Swap Counterparty which have an aggregate value (after the application of the relevant valuation percentage haircut specified in the Credit Support Annex) at least equal to the exposure that the Issuer has to the Swap Counterparty under the Swap Agreement.

Pursuant to the terms of the Credit Support Annex, Credit Suisse International, as Swap Counterparty, may deliver Eligible Securities (being debt obligations issued by any of the United States of America, Canada, the United Kingdom, France, Germany or by an Original Collateral Obligor).

The outstanding principal amount of the Original Collateral held on behalf of the Issuer may also be reduced from time to time (to an amount not less than zero) to the extent that Original Collateral is required to be transferred to the Swap Counterparty pursuant to the Credit Support Annex. This will occur if the Swap Agreement increases in value from the Swap Counterparty's perspective.

The principal amount of the Original Collateral shall also be reduced by an amount equal to a Collateral Component which has redeemed in full in accordance with its terms.

If a Class of Notes of a Series redeems other than on a final redemption on the applicable Maturity Date, the Collateral relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such Collateral at that time since the market value of such Collateral will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuers and obligors of the Collateral, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Collateral and (iv) the liquidity of the Collateral. Accordingly, the price at which such Collateral is sold or liquidated may be at a discount (which could be substantial) to the market value of the Collateral on the applicable Issue Date and the proceeds of any such sale or liquidation when taken together with the proceeds of termination of any related Swap Agreement and any other assets available to the Issuer that relate to the relevant Class of Notes may not be sufficient to repay the full amount of principal on such Class of Notes that the holders of such Notes would expect to receive in the event that the Notes of such Series were redeemed in accordance with their terms on their Maturity Date.

Credit Suisse International (or any of its affiliates) may have acquired, or during the term of any Notes may acquire, confidential information or enter into transactions with respect to any Collateral and they shall not be under any duty to disclose such confidential information to any Noteholder, the Issuer, the Trustee or any of the other Transaction Parties.

### ***Collateral basket***

The Original Collateral in respect of each Class of Notes of a Series may comprise separate Collateral Components and as such, a Collateral Event may occur in respect of one or more Collateral Components, resulting in the partial redemption of each Note of such Series to reflect the weighting of the Affected Collateral Component multiplied by the Specified Denomination of such Note, as set out in more detail in the section of this Base Prospectus entitled "*Transaction Description*".

### ***Suspension of payments under Notes and the corresponding Swap Agreement during the Suspension Period***

The payment obligations of the Issuer under each Class of Notes of a Series will be partially suspended if the Calculation Agent determines that facts exist which may amount to a Collateral Event following the expiration of any applicable grace period. During the Suspension Period, and with respect to a proportion of each Note of such Series corresponding to such Note's *pro rata* share of the notional amount of the Affected Collateral Component to which such suspension relates, (i) the Issuer shall make no payments on account of principal under the relevant Notes with respect to the relevant portion; and (ii) neither the Issuer nor the Swap Counterparty shall make any payments under the Swap Agreement with respect to the relevant portion.

If a Collateral Event (i) occurs during the Suspension Period (which will be a period of ten Reference Business Days) then no further payments will be made under each Class of Notes of a Series in respect of principal and the Notes of such Series will be redeemed at the Collateral Event Early Cash Redemption Amount in respect of the proportion of each Note of such Series corresponding to such Note's *pro rata* share of the notional amount of the Affected Collateral Component or (ii) has not occurred on the last day of the Suspension Period, any principal amount which would otherwise have been payable will be payable on the second Business Day following the earlier of (a) the last day of such Suspension Period or (b) the date on which the Calculation Agent determines that the events which may have resulted in the Collateral Event have been remedied or no longer exist. This may result in an extension of the applicable Maturity Date of the relevant Notes.

Noteholders will not be entitled to receive any further payments as a result of such suspension and the corresponding delay in payment of any principal amount.

### ***Likelihood of Collateral Event***

The likelihood of a Collateral Event occurring in respect of a Collateral Component will generally fluctuate with, among other things, the financial condition and other characteristics of the relevant Original Collateral Obligor, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. An investor's investment will be at risk if a Collateral Event occurs in respect of any Collateral Component comprising the Original Collateral.

The banking industry generally has been, and continues to be, subject to significant volatility due to the economic crisis that commenced during mid-2007. Banks are exposed to a number of international factors which may have a materially adverse effect on their financial performance including, without limitation, the factors set out under the heading "*Risks relating to the business of Credit Suisse International*" above.

As indicated, these factors and those events outlined in "*Recent Global Events*" below as well as other factors may affect the probability of a Collateral Event occurring in respect of a Collateral Component.

Accordingly, investors may suffer a loss of some or all of their investment on the relevant Class(es) of Notes of a Series in which they invested as a result of a Collateral Event occurring.

**Prospective investors should review the Original Collateral Obligors and conduct their own investigation and analysis with respect to the creditworthiness of the Original Collateral Obligors, the terms and characteristics of the Collateral Components and the likelihood of the occurrence of a Collateral Event with respect to the Original Collateral Obligors.**

### ***Liquidation of the Collateral***

Where the Disposal Agent is required to liquidate Collateral following an early redemption of the Notes of a Series, it shall do so by obtaining five Quotations (as defined in the Conditions) from dealers in the market (who are not affiliates of Credit Suisse International) and selling the Collateral to the dealer with the highest Quotation. Where an asset the value of which is being sought is illiquid or of a low notional amount, there may be limited availability of dealers willing to provide Quotations. In such circumstances, the Disposal Agent would instead make such determination. No assurance can be given that a sufficient number of Quotations will be available.

### ***Swap Counterparty exposure***

Upon the scheduled maturity of the Original Collateral, the redemption proceeds in respect thereof are expected to be used by the Issuer to satisfy its payment obligations to the Swap Counterparty under the Asset Swap Transaction (save that where the redemption date of any Collateral Component falls after the Maturity Date of the Notes of a Series, the Issuer shall deliver such Collateral Component to the Swap Counterparty rather than making a payment to the Swap Counterparty). Such payment obligations fall due on the Business Day immediately following the scheduled maturity of the Original Collateral. Following its payment of such redemption proceeds to the Swap Counterparty, the Issuer will rely upon the amounts payable to it by the Swap Counterparty under the Asset Swap Transaction (which are due on the Business Day preceding the Maturity Date) along with amounts payable to it under the Fund Swap Transaction and the Equity Swap Transaction to fund its redemption on the relevant Notes. As a result, in these circumstances, the Issuer and the Noteholders are exposed to the credit risk of the Swap Counterparty and will not have the benefit of any security over any Original Collateral or redemption proceeds thereof.

### ***Provision of information***

Neither the Issuer nor Credit Suisse International (i) has provided or will provide prospective purchasers of Notes with any information or advice with respect to the Original Collateral, the Original Collateral Obligors, the Custodian or the Swap Counterparty, or (ii) makes any representation as to the credit quality of the Original Collateral, the Original Collateral Obligors, the Custodian or the Swap Counterparty. The Issuer, and/or Credit Suisse International may have acquired, or during the term of any Notes may acquire, non-public information with respect to the Custodian, the Original Collateral and the Original Collateral Obligors which will not be disclosed to Noteholders. The timing and limited scope of the information provided to Noteholders regarding the Original Collateral, the Original Collateral Obligors and the occurrence of one or more Collateral Events, may affect the liquidity of the Notes of a Series and the ability of Noteholders to value the Notes of such Series accordingly. Neither the Issuer nor Credit Suisse International is under any obligation to make such information, whether or not confidential, available to Noteholders.

**None of the Issuer, Credit Suisse International, the Trustee nor any Agent shall provide any information in respect of the Original Collateral Obligors to any prospective investor save for the information provided in this Base Prospectus and in the applicable Final Terms. Further information in respect of the Original Collateral and the Original Collateral Obligors may be available from publicly available sources, including, without limitation, from the websites of the stock exchanges on which the Original Collateral Obligors have securities listed.**

### ***No claim against the Original Collateral Obligors***

No Class of Notes of a Series will represent a claim against any Original Collateral Obligor and, in the event of any loss, a Noteholder will not have recourse under the relevant Class of Notes to any Original Collateral Obligor in respect of such Series.

In particular, Noteholders will not have:

- (a) the right to vote or give or withhold from giving any consent in relation to any Collateral Component;
- (b) the right to receive any coupons, fees or other distributions which may be paid by an Original Collateral Obligor to holders of the relevant Collateral Component; or
- (c) the right to receive any information from the Original Collateral Obligors.

Accordingly, an investment in a Class of Notes of a Series is not equivalent to an investment in the Original Collateral.

### ***Determinations***

The determination as to whether a Collateral Event has occurred shall be made by the Calculation Agent and without regard to any related determination by the Original Collateral Obligors or any action taken, omitted to be taken or suffered to be taken by any other person, including, without limitation, any creditor of the Original Collateral Obligors.

**Prospective investors must note that none of Credit Suisse International (in any capacity), the Issuer, the Trustee, any Agent or the Distributor is under any obligation to monitor whether or not a Collateral Event has occurred in respect of the Original Collateral or any responsibility for monitoring any other developments, announcements or publications relating to the Original Collateral and shall have no liability or responsibility to any Noteholder or any other person in the event of the occurrence of any Collateral Event in respect of a Collateral Component. Furthermore, none of the Issuer, Credit Suisse International, the Trustee nor any Agent, in any capacity, shall have any liability to any Noteholder in respect of any loss suffered as a result of a Collateral Event in respect of a Collateral Component.**

***Correlation between the Original Collateral Obligors, the Equity Original Collateral Obligor and Credit Suisse International***

Each of the Equity Original Collateral Obligor and Credit Suisse International is a bank or part of a banking group. If any of the Original Collateral Obligors are a bank, or otherwise part of a banking group, there is likely to be a high correlation between defaults by Credit Suisse International in any of its capacities in respect of the Notes of a Series (including, without limitation as Swap Counterparty) and the occurrence of a Collateral Event in respect of one or more Collateral Components or Equity Collateral Event in respect of the Class Equity Original Collateral. Accordingly, Noteholders may suffer greater losses (and may be more likely to suffer losses) as a result of such correlation than they may otherwise have done had the Original Collateral Obligors and the Equity Original Collateral Obligor not operated in the same industry as Credit Suisse International.

**The Redemption Percentage**

In respect of each Class of Notes of a Series, any amounts to be paid to the Issuer by the Swap Counterparty under the Asset Swap Transaction relating to such Class of Notes will take into account the application of a Redemption Percentage specified in the applicable Final Terms. Such amounts are to be applied by the Issuer to fund corresponding amounts payable on the Class of Notes.

Accordingly, in respect of a Series, any such amounts receivable by the Issuer under the applicable Asset Swap Transaction and payable on the Notes of such Series may be less than the amounts which would otherwise have been payable if such Redemption Percentage is less than 100%; and any such amounts receivable by the Issuer under the Asset Swap Transaction and payable on the Notes of such Series may be more than the amounts which would otherwise have been payable if such Redemption Percentage is greater than 100%. There is no assurance that investors in any Class of Notes of a Series will receive 100% of the amount initially invested in the Notes of such Series, which may be dependent on, among other things, the performance of the Class Equity Basket or Class Equity Index Basket (as applicable) and the resulting Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction relating to such Class of Notes and the occurrence of any Collateral Events. Even in the absence of any Collateral Events, investors will rely on the Additional Payout Amount payable on each Note of a Series (and funded by any Swap Counterparty Equity Final Exchange Amount payable to the Issuer under the Equity Swap Transaction relating to such Class of Notes or Class Equity Original Collateral Amount receivable by the Issuer under the Class Equity Original Collateral) to make up for such shortfall resulting from the application of such Redemption Percentage.

The application of the Redemption Percentage is described in more detail in the section of this Base Prospectus entitled “*Transaction Description*”.

**The Credit Support Annex**

As part of the Swap Agreement, the Issuer and the Swap Counterparty will enter into a Credit Support Annex to collateralise the Issuer’s exposure to the Swap Counterparty as described in more detail in the section of this Base Prospectus entitled “*Transaction Description*”.

As noted above, pursuant to the Credit Support Annex, the Swap Counterparty may be required to transfer additional Eligible Securities to the Issuer to collateralise the Issuer’s net exposure to the Swap Counterparty under the Swap Agreement. The Swap Counterparty shall act for its own benefit and is not required to, and may not, take into account the interests of the Noteholders in determining what Eligible Securities, meeting the required criteria, to deliver to the Issuer under the Credit Support Annex for this purpose.

While any Eligible Securities delivered to the Issuer by the Swap Counterparty under the Credit Support Annex are required, at the time of delivery, to have a value (after the application of the relevant Valuation Percentage haircut specified in the Credit Support Annex) at least equal to the then net exposure the Issuer has to the Swap Counterparty under the Swap Agreement, and notwithstanding that valuations and any corresponding transfers will be conducted on a weekly basis, there can be no assurance that any amount realised from the sale of the Eligible Securities delivered and then held by the Issuer will be equal to the amount otherwise payable by the Swap Counterparty as a result of an early termination of the Swap Agreement.

Accordingly, despite the existence of the Credit Support Annex, in the event that the Swap Agreement terminates as a result of a default by the Swap Counterparty, or the occurrence of certain insolvency or bankruptcy events relating to the Swap Counterparty, in the event of the value of the Eligible Securities being less than the value of the Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction under the Swap Agreement upon its termination and there is any failure by the Swap Counterparty to pay any termination amount due under the Swap Agreement, Noteholders will be exposed to the Swap Counterparty for the shortfall and the amount payable to Noteholders may be reduced, even to zero, in connection with the redemption of the Notes of a Series in such circumstances.

Alternatively, the Issuer may be required to transfer Original Collateral to the Swap Counterparty to collateralise the Swap Counterparty's net exposure to the Issuer under the Swap Agreement. Therefore, the outstanding principal amount of the Original Collateral held on behalf of the Issuer may be reduced from time to time (to an amount not less than zero) to the extent that Original Collateral is required to be transferred to the Swap Counterparty pursuant to the Credit Support Annex. This will occur if the Swap Agreement increases in value from the Swap Counterparty's perspective.

Where a Collateral Component has redeemed in accordance with its terms and conditions, the Swap Counterparty will, subject to the net exposure under the Swap Agreement, likely be required to transfer Eligible Securities under the Credit Support Annex in order to collateralise the exposure created under the Asset Swap Transaction since following payment of the redemption amount relating to such Collateral Component by the Issuer to the Swap Counterparty, payments under the Asset Swap Transaction in respect of such redeemed Collateral Component will be due solely from the Swap Counterparty to the Issuer.

### **Application of Negative Interest Rates**

Negative interest rates may apply from time to time in certain circumstances to any cash funds held by the Custodian on behalf of the Issuer forming part of the Swap Counterparty's Credit Support Balance under the Credit Support Annex. To the extent that such negative interest rates were to apply, the amount of cash collateral held by the Issuer in respect of its exposure to the Swap Counterparty would be reduced. Whilst the application of any negative interest rates will ultimately be borne by the Swap Counterparty unless the Swap Agreement is terminated as a result of an Event of Default thereunder by either the Issuer or the Swap Counterparty, where such a termination does occur as a result of such an Event of Default the reduction in funds held by the Custodian could increase the amount to be claimed by the Issuer from (and therefore the credit risk to) the Swap Counterparty under the Swap Agreement.

Further, negative interest rates may apply from time to time in certain circumstances to any cash funds held by the Swap Counterparty which have been transferred by the Issuer to cover its credit risk under the Credit Support Annex or derive therefrom. To the extent that such negative interest rates were to apply, the amount of cash collateral held by the Swap Counterparty in respect of its exposure to the Issuer would be reduced, and accordingly, the Issuer may need to transfer additional Eligible Credit Support to the Swap Counterparty under the Credit Support Annex.

### **Early Redemption in Full**

If a Class of Notes of a Series is due to redeem early in full as a result of (i) an Early Redemption Event other than a Collateral Event (for example following the occurrence of certain tax events (subject to certain exceptions including, but not limited to, where withholding or deduction of taxes on the Notes of such Series arises solely in respect of FATCA), (ii) a termination of the Swap Agreement as a whole, (iii) an Event of Default by the Issuer or (iv) the enforcement of the security by the Trustee at its discretion or if directed by the Noteholders of any other Class of Notes), the Swap Agreement relating to such Class (if these have not already terminated) will terminate. Where a Collateral Event occurs, the Notes of a Series will redeem in part,

but an amount per Note equal to SEK 1 shall remain outstanding until the Additional Payout Amount Payment Date solely in order to enable payment of any Additional Payout Amount.

Prospective investors in each Class of Notes of a Series must note that a Class may be redeemed early as a result of the enforcement of the security by the Trustee in respect of any other Class. The early redemption of the Notes of each Class of a Series may not be triggered at the same time unless the security is enforced.

Any net amount payable to the Issuer by the Swap Counterparty as a consequence of the termination of the Swap Agreement, together with sale proceeds of the Original Collateral, the Class Equity Original Collateral (if applicable) and any Eligible Securities, shall first be used to pay any amount due to the Trustee, the Disposal Agent, the Custodian and any other Agent of the Issuer, including costs and expenses incurred with the sale of such securities.

The remainder of any amount received by the Issuer in respect of the termination of the Swap Agreement and any remaining proceeds of sale of the Original Collateral, the Class Equity Original Collateral and Eligible Securities shall be applied in satisfaction of the amounts due to Noteholders on a *pro rata* basis.

There can be no assurance as to the value of the Original Collateral, the Class Equity Original Collateral and any Eligible Securities at the time of such sale and the amounts realised may be significantly lower than the face value of the Original Collateral, the Class Equity Original Collateral and such Eligible Securities and may even be zero. To the extent that the value of the Original Collateral, the Class Equity Original Collateral and the Eligible Securities is less than the value of the Swap Agreement upon its termination, Noteholders will be exposed to the Swap Counterparty for the shortfall. None of the Issuer, the Trustee, the Disposal Agent, any other Agent, the Dealer or any other person is under any obligation to obtain a particular price in connection with such a sale and shall have no responsibility or liability to any Noteholder for the price at which any such assets are sold.

Accordingly, the amount payable to Noteholders on an early redemption of their Notes may be significantly lower than their initial investment and may even be zero.

### **Early Redemption in Part following a Collateral Event**

If a Collateral Event occurs with respect to any Collateral Component in respect of a Series, the Notes of such Series will fall due for redemption at an amount equal in aggregate to the Collateral Event Early Cash Redemption Amount, provided that where the Outstanding Principal Amount of a Class of Notes would otherwise be reduced to zero prior to the applicable Additional Payout Amount Payment Date as a result of the occurrence of a Collateral Event, SEK 1 of each Note of such Class of Notes shall remain outstanding solely to enable any Additional Payout Amount to be payable to the Noteholders of such Class on the applicable Additional Payout Amount Payment Date.

The Collateral Event Early Cash Redemption Amount is an amount determined by Credit Suisse International (acting in its capacity as Calculation Agent) which will take into account (a) the Affected Class Collateral Proceeds (as defined herein), and (b) the Partial Class Asset Swap Gain or Partial Class Asset Swap Loss (each as defined herein).

The Partial Class Asset Swap Gain or Partial Class Asset Swap Loss reflects the early termination amount that the Calculation Agent determines would be payable to the Issuer (in the case of a Partial Class Asset Swap Gain) or by the Issuer (in the case of a Partial Class Asset Swap Loss) upon the early termination of the Swap Agreement (but assuming that the Swap Agreement comprises solely of the Asset Swap Transaction relating to the relevant Class). The Partial Class Asset Swap Gain or Partial Class Asset Swap Loss takes into account, among other things, (i) the relevant Class Asset Swap Transaction (but not, for the avoidance of doubt, the Fund Swap Transaction or the Equity Swap Transaction (as applicable)); (ii) amounts payable by the Swap Counterparty to the Issuer in respect of the Notes of a Series; (iii) the scheduled payments under the Original Collateral which determine the amounts payable by the Issuer to the Swap Counterparty under the Swap Agreement and (iv) the limited recourse nature of the Swap Agreement in respect of the Issuer's obligations thereunder.

### **Replacement of the Swap Counterparty**

Investors should note that upon the occurrence of (i) certain insolvency events with respect to the Swap Counterparty (a "**Counterparty Bankruptcy Credit Event**"); or (ii) an Event of Default (as defined in the Swap Agreement) with respect to the Swap Counterparty (other than a Counterparty Bankruptcy Credit

Event); or (iii) a Termination Event (as defined in the Swap Agreement) where the Issuer has the right to designate an Early Termination Date in respect of the Asset Swap Transactions (an “**Asset Swap Termination Event**”); or (iv) a Termination Event (as defined in the Swap Agreement) where the Issuer has the right to designate an Early Termination Date in respect of the Fund Swap Transaction (a “**Fund Swap Termination Event**”) or the Equity Swap Transaction (an “**Equity Swap Termination Event**”); or (v) the long term senior, unsecured rating assigned by Moody’s Investors Service Limited (“**Moody’s**”) to the Swap Counterparty being withdrawn or is less than Ba1 or if the short term rating assigned by Moody’s to the Swap Counterparty is less than P-3 (any such downgrade or withdrawal, a “**Moody’s Ba1/P-3 Downgrade**” and such event, along with each of a Counterparty Bankruptcy Credit Event, an Event of Default with respect to the Swap Counterparty (other than a Counterparty Bankruptcy Credit Event), a Tax Termination Event, an Asset Swap Termination Event, a Fund Swap Termination Event, an Equity Swap Termination Event and a Moody’s Ba1/P-3 Downgrade, a “**Replacement Event**”), Garantum Fondkommission AB (or any successor entity thereto) (as Noteholder Facilitator) has the right, by notice to the Issuer with a copy to the Trustee (and, provided that, in the case of a Moody’s Ba1/P-3 Downgrade only that the Swap Counterparty has given its prior written consent to such replacement) to select a replacement Swap Counterparty, from (and including) the date of the occurrence of such a Replacement Event up to (and including) the date falling 30 calendar days from the occurrence of the applicable Replacement Event.

Accordingly, where the Noteholder Facilitator makes such a selection, and provided certain other requirements are met, it is possible that the identity of the Swap Counterparty will change, and accordingly, the credit exposure of the Issuer and Noteholders to the Swap Counterparty may also change. As this right may be exercised whenever a Replacement Event occurs, the identity of the Swap Counterparty may change more than once during the duration of any Notes.

However, notwithstanding the above, no assurance can be given that a replacement Swap Counterparty will be identified by the Noteholder Facilitator upon the occurrence of a Replacement Event or that such replacement will be completed.

The replacement of the Swap Counterparty as described above may prevent an early termination of the Swap Agreement and therefore the early redemption of any Notes. However, even if such replacement is made, the Notes of a Series may still redeem early, in full, on some later date as a result of the occurrence of any Early Redemption Event and Noteholders will also still be exposed to the risk of a Collateral Event in respect of the Original Collateral, notwithstanding such replacement of the Swap Counterparty (including, for the avoidance of doubt, where such Collateral Event occurred prior to such replacement). The value of the Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction under the Swap Agreement to the Issuer may have been higher at the time of the occurrence of the Replacement Event than as at the time of any subsequent early redemption of any Notes. As a result, the replacement of the Swap Counterparty in such circumstances may result in Noteholders receiving less in respect of their investment than they may otherwise have done if no replacement Swap Counterparty had been selected and had any Notes redeemed early as a result of such Swap Counterparty Event, or, as the case may be, a Counterparty Bankruptcy Credit Event.

As a result of the risk highlighted in the preceding paragraph, the inclusion of this right of replacement may mean that the value of the Notes of a Series from time to time may be lower than their value would otherwise have been had no such replacement right been included.

If a replacement Swap Agreement is not entered into within 30 calendar days following the occurrence of a Replacement Event (other than a Moody’s Ba1/P3 Downgrade), the Swap Agreement shall automatically terminate and, if a Swap Termination Event, or a Tax Termination Event has occurred and no Early Redemption Commencement Date or Early Redemption Event has occurred pursuant to any other applicable Condition, the Issuer shall, as soon as is practicable (or, in any case, within 2 Reference Business Days after the end of the Replacement Period), give an Early Redemption Notice to the Noteholders (the date on which such Early Redemption Notice is deemed to have been given shall be an “**Early Redemption Commencement Date**”) and the Notes of a Series shall become due and payable on the related Early Redemption Date. Certain risks associated with early redemption of the Notes of a Series are discussed above under “*Early Redemption*”.

### **Instructions to the Trustee following an Event of Default or an Enforcement Event**

In respect of a Class of Notes of a Series, while the Trustee is permitted to give notice to the Issuer of its determination that an Event of Default (in respect of such Class or all Classes, as applicable) has occurred (and that accordingly such Class of Notes have become immediately due and payable) and to determine that an Enforcement Event has occurred and enforce the security, it is not required to do so, unless directed by an Extraordinary Resolution passed by the Noteholders of such Class (or all Classes, as applicable) to do so and will only do so if the Trustee is indemnified and/or secured and/or prefunded to its satisfaction. The Swap Counterparty also has the right to direct the Trustee in writing to enforce security.

Accordingly, in respect of a Class of Notes of a Series, following (i) the occurrence of an Event of Default, the Trustee may accelerate the relevant Class of Notes at its discretion, but shall be obliged to accelerate if directed by an Extraordinary Resolution passed by the Noteholders of such Class (or all Classes, as applicable) (subject, in each case, to its being indemnified and/or secured and/or prefunded to its satisfaction), by giving notice to the Issuer that an Event of Default has occurred and that such Class of Notes have become immediately due and payable and then, if required enforce the security; and (ii) the Trustee becoming aware of the occurrence of an Enforcement Event, the Trustee may enforce the security at its discretion but shall enforce the security if directed by an Extraordinary Resolution passed by the Noteholders of such Class (or all Classes, if applicable) or if directed in writing by the Swap Counterparty (subject, in each case, to its being indemnified and/or secured and/or prefunded to its satisfaction). Noteholders of each Class should be aware that there is no assurance that the Trustee would exercise such discretion in circumstances where an Event of Default or Enforcement Event occurs. Even if the Trustee is willing to exercise such discretion or the Noteholders of a Class validly pass an Extraordinary Resolution (as described below) directing the Trustee to accelerate such Class of Notes or, as the case may be, enforce the security, the Trustee shall only do so if it is indemnified and/or secured and/or prefunded to its satisfaction. There may be a significant delay between the occurrence of an Event of Default or, as the case may be, the occurrence of an Enforcement Event (and, in the case of an Event of Default, the Trustee's notice to the Issuer that the relevant Class of Notes have become immediately due and payable) and any enforcement of the security following the occurrence of such Event of Default or, as the case may be, such Enforcement Event as a consequence of, among other things, a delay in the Trustee receiving satisfactory indemnities and/or prefunding in circumstances where the Noteholders of such Class (or all Classes, if applicable) have directed the Trustee to accelerate and/or enforce. During the period of such delay, Noteholders' *pro rata* share of the proceeds of enforcement of the security may decrease substantially from what it would otherwise have been but for such delay and may in certain circumstances be zero. Noteholders of a Class may direct the Trustee by an Extraordinary Resolution with respect to an Event of Default or an Enforcement Event which solely affects such Class, and Noteholders of all Classes may direct the Trustee by an Extraordinary Resolution with respect to an Event of Default or an Enforcement Event which affects the Notes generally.

Upon the occurrence of an Event of Default in respect of a Class of Notes of a Series, Noteholders of such Class (or all Classes, as applicable), by passing an Extraordinary Resolution, will be entitled to direct the Trustee to give an Early Redemption Notice to the Issuer and, if necessary, direct the Trustee to enforce the security following such Event of Default, provided that in each case, the Trustee shall only do so if it is also indemnified and/or secured and/or prefunded to its satisfaction. Such Extraordinary Resolution if passed by way of a signed written resolution or given by way of electronic consents through the clearing systems (where the Notes of such Series are held on behalf of a Clearing System) must be passed by Noteholders of such Class holding, in aggregate, at least 75% in principal amount of all of the outstanding Notes of such Class or, if applicable, by Noteholders holding, in aggregate, across all Classes of Notes, at least 75% in principal amount of all of the outstanding Notes. Given the wide distribution of the Notes of a Series, Noteholders should be aware that there may be a significant delay between the Noteholders becoming entitled to make such a direction to the Trustee and Noteholders holding a sufficient nominal amount of the relevant Notes being able to make such request and provide the required indemnification, security and/or prefunding to the Trustee. Accordingly, during the period of such delay, Noteholders' *pro rata* share of the proceeds of enforcement of the security may decrease substantially from what it would otherwise have been but for such delay and may in certain circumstances be zero.

## **Evolution of International Fiscal Policy**

The Company may not be considered as the beneficial owner of income received and therefore not be able to rely on a double taxation treaty on its own behalf.

Luxembourg has concluded a number of double taxation treaties with other states. It may be necessary or desirable for the Company to seek to rely on such treaties particularly in respect of income and gains of the Company. Whilst each double taxation treaty needs to be considered individually taking into account fiscal practices primarily of the country from whom relief is sought a number of requirements need to be met. These requirements may include ensuring that an entity is resident in Luxembourg, is subject to taxation there on income and gains and is also beneficially owner of such income and gains. Fiscal policy and practice is constantly evolving and at present the pace of evolution has been quickened due to a number of developments which include, but are not limited to, the Organisation for Economic Co-operation and Development (“**OECD**”)/G20 base erosion and profit shifting project. Fiscal policy may change which may or may not be accompanied by a formal announcement by any fiscal authority or the OECD. As a result, there can be no certainty that the Issuer will be able to rely on double tax treaties because fiscal practice of the construction of double tax treaties and the operation of the administrative processes surrounding those treaties may be subject to change. For example, fiscal practice could evolve such that the Issuer could be regarded as not being the beneficial owner because the overriding commercial object of the Issuer to allocate income and gains, less certain expenses and losses for the benefit of its investors, and the Issuer is entitled to a tax deduction in respect of that allocation and, as such, the Issuer would not be able to rely on a double taxation treaty on its own behalf.

## **Automatic Exchange of Information**

EU member states are required to implement an automatic exchange of information as provided for by Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the “**DAC**”) effective as from 1 January 2016 (and in the case of Austria as from 1 January 2017). In this context, in order to eliminate an overlap with the DAC, Council Directive 2003/48/EC (the “**Savings Directive**”) was repealed on 10 November 2015 by the Council of the European Union. The range of payments to be automatically reported under the DAC is broader than the scope of the automatic information previously foreseen by the Savings Directive.

Investors should consult their professional tax advisers.

## **FATCA and the Possibility of U.S. Withholding Tax on Payments**

### ***Background***

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 impose a withholding tax of 30 per cent. on (i) certain U.S. source payments and (ii) payments of gross proceeds from the disposition of assets that produce U.S. source dividends or interest, in either case made to persons that fail to meet certain certification or reporting requirements. To avoid withholding under “**FATCA**” (as defined in Master Condition 1(a) (Definitions)), a non-U.S. financial institution (“**FFI**”) must enter into an agreement with the Internal Revenue Service (an “**IRS Agreement**”) (as described below) or otherwise be exempt from the requirements of FATCA. Non-U.S. financial institutions that enter into IRS Agreements or become subject to provisions of local law (“**IGA legislation**”) intended to implement an intergovernmental agreement entered into pursuant to FATCA (“**IGAs**”), may be required to identify “financial accounts” held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In addition, in order (a) to obtain an exemption from FATCA withholding on payments it receives or (b) to comply with any applicable IGA legislation, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation, where such payments are made on or after (i) July 1, 2014 in respect of certain U.S. source payments, (ii) January 1, 2017, in respect of payments of gross proceeds (including principal repayments) on certain assets that produce U.S. source interest or dividends and (iii) January 1, 2017 (at the earliest) in respect of “foreign passthru payments”, provided that for “obligations” that are not treated as equity for U.S. federal income tax purposes, FATCA withholding will only apply to such obligations that are issued or materially modified on or after (a) July 1, 2014 or (b) the date that is six months after the date on which the final regulations defining “foreign passthru payments” are filed with the Federal Register in the case of an obligation that would only be subject to FATCA withholding to the extent payments on such obligation were treated as “foreign passthru payments”.

The application of FATCA to interest, principal or other amounts paid with respect to any Notes, the Collateral (if any) and the Swap Agreement (if any) and the information reporting obligations of the Company or the Issuer, as appropriate, and other entities in the payment chain is still developing. In particular, a number of jurisdictions (including Luxembourg) have entered into IGAs with the United States, which modify the way in which FATCA applies to their jurisdictions. The full impact of such IGAs and IGA legislation thereunder on reporting and withholding responsibilities under FATCA is unclear. The Company or the Issuer, as appropriate, and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how withholding on “foreign passthru payments” will be dealt with under the IGAs or if such withholding will be required at all.

***Possible impact on Payments on Collateral (if any) and Swap Agreement (if any)***

If the Company or the Issuer, as appropriate, fails to comply with its obligations under FATCA (including the Luxembourg IGA and any IGA legislation thereunder), it may be subject to FATCA withholding on all, or a portion of, payments it receives with respect to the Collateral (if any) or the Swap Agreement (if any). Any such withholding would, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Notes of a Series and the corresponding Swap Agreement, as applicable. No other funds will be available to the Issuer to make up any such shortfall and, as a result, the Issuer may not have sufficient funds to satisfy its payment obligations to Noteholders. Additionally, if payments to the Issuer in respect of its assets, including the Collateral (if any), are, will become or are deemed on any test date to be subject to FATCA withholding, the Notes of a Series will be subject to early redemption (see “*Early Redemption*” above). No assurance can be given that the Company or the Issuer, as appropriate, can or will comply with its obligations under FATCA or that the Company or the Issuer, as appropriate, will not be subject to FATCA withholding.

***Possible impact on payments of Notes***

The Issuer expects to require (and expects other intermediaries through which Notes are held to require) each Noteholder to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or such an intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the Internal Revenue Service or another applicable authority. The Issuer may also be required to withhold amounts from Noteholders (including intermediaries through which such Notes are held) that are FFIs that are not compliant with, or exempt from, FATCA or Noteholders that do not provide the information, documentation or certifications required for the Issuer to comply with its obligations under FATCA. Additionally, the Issuer is also permitted to make any amendments to the Notes of a Series and the Swap Agreement (if any) as may be necessary to enable the Issuer to comply with its obligations under FATCA (including the Luxembourg IGA and any IGA legislation thereunder) and any such amendment will be binding on the Noteholders.

Neither a Noteholder nor a beneficial owner of Notes will be entitled to any additional amounts in the event FATCA withholding tax is imposed on any payments on or with respect to the Notes of a Series. As a result, Noteholders may receive less interest or principal, as applicable, than expected.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE COMPANY, THE ISSUER, NOTES AND NOTEHOLDERS IS SUBJECT TO CHANGE. EACH NOTEHOLDER SHOULD**

CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT SUCH NOTEHOLDER IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

## **Recent Global Events**

### *General*

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.

The initial trigger for the instability was a downturn in the U.S. housing market. Significant declines in house prices in the U.S. from early 2005, combined with interest rate rises, led to increases in mortgage default levels, particularly in relation to mortgages granted to sub-prime borrowers (that is borrowers with a poor or no credit history). Financial exposure to such mortgage assets had been widely distributed on a global basis via securitisations and other risk transfer mechanisms. As a result, a significant number of global commercial banks, investment banks, government-sponsored entities, hedge funds, structured investment vehicles and institutional investors had gained exposure to defaults in respect of such mortgage assets. By mid-2007, concerns about the value of mortgage assets held by these entities led to a general tightening of available credit and liquidity in the global financial markets.

During 2008, the initial instability intensified into a severe global financial crisis. Notwithstanding steps taken by the central banks of the U.S., the U.K. and certain other countries and the European Central Bank to increase liquidity, continued disruption to the credit and liquidity markets and concerns about the value of mortgage assets and credit-related products generally, led to substantial write-downs of asset values by a number of institutions, including government-sponsored entities, insurers and major commercial and investment banks. These write-downs caused many such entities to seek additional capital, to merge with other institutions and, in some cases, to go into insolvency or to be the subject of government bail-out.

In September 2008, the crisis saw a series of collapses of government-sponsored entities, insurers and major commercial and investment banks around the world. These collapses included the bail-out by the U.S. government of the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae), the insolvency of investment bank Lehman Brothers Holdings Inc., the bail-out by the U.S. government of the major U.S. insurer American International Group, Inc., and numerous other rescues and bail-outs in other countries.

In response to the crisis various governments and central banks took substantial measures to ease liquidity problems and enacted fiscal stimulus packages and measures to support certain entities affected by the crisis. Such measures included establishing special liquidity schemes and credit facilities, bank recapitalisation programmes and credit guarantee schemes.

In an attempt to counteract recessionary pressures, the central banks of the U.S., the U.K. and certain other countries and the European Central Bank also lowered interest rates, in some cases to record low levels.

A number of countries have accumulated significant levels of public debt both absolutely and relative to GDP. In connection with this, the global economy and financial markets have further experienced levels of instability and crises, in particular in respect of certain countries that had adopted the Euro (the “**Eurozone Countries**”), such as Greece, Italy, and Spain. This has led to concerns in relation to the sovereign credit risk of other Eurozone economies, as well as to the survival of the euro itself, and it is possible that the structure, nature and regulation of financial markets, including sovereign credit markets, may be fundamentally altered.

A number of Eurozone countries have seen yields on new issues of sovereign debt increase to levels that some commentators have argued are not sustainable. Such increases, combined with existing levels of national debt, have given rise to ongoing concerns of the ability of such Eurozone countries to service their existing debt obligations. Furthermore, Greece restructured a majority of its sovereign debt in the first half of 2012.

2012 saw dialogue among the Eurozone Countries regarding, among other things, the control of fiscal policy, the operation of the European Central Bank, the structuring of the European Financial Stability Facility and the establishment of the European Stability Mechanism. During this time several rating agencies have downgraded a number of Eurozone Countries, including Spain, by one or more notches.

The ongoing concerns regarding the Eurozone Countries, including the possibility of a withdrawal from the Euro by one or more Eurozone Countries or a wider restructuring of the Euro, are likely to continue to effect the financial condition and stability of individual Eurozone Countries and, more widely, the European Union and the global economy.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

There can be no assurance that the steps taken by governments to ameliorate the global financial crisis will be successful or that the global recovery will continue. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. In addition, the attempts being taken to reduce the high level of sovereign debt may themselves contribute to a further global recession.

There can be no assurance as to how severe the global recession will be or as to how long it will last. There can be no assurance that government actions to limit the impact of the crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the responses thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in any Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in any Notes.

### ***Impact on liquidity***

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions and certain sovereigns. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class or in the obligations of any particular financial institution or sovereign, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Notes of a Series, the theoretical value of the Fund (which, in turn, may have a negative impact on the value of the Fund Swap Transaction) and the theoretical value of the shares comprised in the Class Equity Basket or the Class Equity Index Basket (as applicable) (which, in turn, may have a negative impact on the value of the Equity Swap Transaction) or the value of the funds comprising the Fund Basket (which, in turn, may have a negative impact on the value of the Class Equity Original Collateral). In particular, should the Notes of a Series be redeemed early, Noteholders will be exposed to the liquidation value of the corresponding Swap Agreement.

### ***Impact on credit***

The events outlined above have negatively affected the creditworthiness of a number of entities, in some cases to the extent of collapse or requiring government rescue. Such credit deterioration has and may continue to be widespread and is no longer confined to the financial services sector. The value of any Notes or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities in the future which may include the Original Collateral Obligors, the Equity Original Collateral Obligor and any Eligible Securities delivered pursuant to the Credit Support Annex.

### ***Impact of increased regulation and nationalisation***

The events since 2007 have seen increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering various reform measures. In certain jurisdictions (e.g. the United States of America), legislation has come into force in this respect, although the rules and regulations required to implement the particulars of any such legislation have yet to be considered. In other jurisdictions (e.g. the European Union), a number of draft pieces of legislation have been proposed and are currently being considered. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. It is uncertain how a changed regulatory environment will affect the Issuer and the treatment of any Notes, the Swap Counterparty, the Dealer and the other transaction parties. In addition, governments have shown an increased willingness wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily amended or be forcibly redeemed. To the extent that Credit Suisse International, as the Swap Counterparty, Disposal Agent and Calculation Agent, and/or the Original Collateral Obligors or any other person or entity connected with any Notes is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of such Notes.

### ***Systemic risk***

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk”. Financial institutions such as Credit Suisse International, and those other parties acting as the Trustee, the Custodian and certain Agents (or any affiliate of any of them) and any Eligible Securities held by the Issuer from time to time that are financial institutions (which will be the case in respect of the Original Collateral Obligors) or are significant participants in the financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and as such have a material adverse impact on other entities.

### **Foreign Exchange Risk**

In addition to the foreign exchange risks associated with the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes of a Series or the fund units/shares comprising the Fund Basket (as applicable), the Eligible Securities may be denominated in a different currency from the Notes of such Series. Accordingly, the Noteholders shall be exposed to foreign exchange risk of EUR, USD, GBP or CHF (or any other applicable currency) in respect of which the Original Collateral, the fund units/shares comprising the Fund Basket and Eligible Securities are denominated in against SEK. The volatility of foreign exchange rates may therefore lead to Noteholders suffering a significant loss on their investment as a result of the movement of such foreign exchange rates during the life of any Notes.

### **No Disclosure of information; Disclosure of Confidential Information**

The Issuer or Credit Suisse International may, whether by virtue of the types of relationships described herein or otherwise, at any time, be in possession of information in relation to the Original Collateral, Original Collateral Obligors, the Class Equity Original Collateral Obligor, the Eligible Securities, the Class Equity Basket, the Class Equity Index Basket or the Swap Counterparty (as applicable) that is or may be material in the context of the issue of any Notes and that may or may not be publicly available or known to the Noteholder, and any Notes do not create any obligation on the part of the Issuer or Credit Suisse

International or any other person to disclose to any Noteholder any such relationship or information (whether or not confidential).

### **Bail-in and Resolution Eligible Debt**

If the Original Collateral comprises bail-in and/or resolution eligible debt, the relevant debt instrument may be subject to the resolution regime under the banking laws of the relevant jurisdictions (including Switzerland and the U.K.) and, consequently, to the broad statutory powers in the case of restructuring proceedings of the relevant regulatory authorities, which could adversely affect holders of the Notes.

The bail-in regimes under Swiss and U.K. banking laws are described below.

#### ***Swiss banking laws***

Swiss banking laws provide Swiss Financial Market Supervisory Authority (“**FINMA**”) with broad powers and discretion in the case of resolution procedures with respect to Swiss banks. In such resolution procedures, FINMA may require the conversion of the relevant debt instrument into equity and/or a partial or full write-off of such debt instrument. In such case, holders of such debt instrument would lose all or some of their investment. Where FINMA orders the conversion of such debt instrument into equity, the securities received may be worth significantly less than the original debt instrument and may have a significantly different risk profile.

#### ***U.K. banking laws***

U.K. banking laws provide for a regime to allow the Bank of England (or, in certain circumstances, Her Majesty's Treasury of the United Kingdom (the “**UK Treasury**”)) to resolve failing banks in the United Kingdom, in consultation with the Financial Conduct Authority, the Prudential Regulation Authority and the UK Treasury as appropriate. Exercise by any of these authorities of its U.K. bail-in power may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the relevant debt instrument and/or the conversion of all, or a portion, of the principal amount of, or interest on, such debt instrument into another security, including ordinary shares. The exercise of any such bail-in power or any suggestion of any such exercise could materially adversely affect the value of such debt instrument and could lead to holders losing some or all of the value of their investment in such debt instrument.

#### ***Consequences of bail-in or resolution regime on the Notes***

Noteholders should be aware that although any conversion, write-off or resolution of the relevant Collateral Components may not in itself trigger an early redemption of the Notes, such conversion or write-off may lead to the occurrence of (i) an Original Collateral Payment Failure (as the Original Collateral Obligor may not be able to make the originally scheduled payments on the Original Collateral) or (ii) a failure by the Issuer to meet its relevant payment obligation under the Swap Agreement, both of which will result in early redemption of the Notes at the Early Cash Redemption Amount. Noteholders may, in such situation, receive less than they would have done had the conversion, write-off or resolution not occurred, as the proceeds of Liquidation of such Collateral Components may be significantly less than the value of such securities as at the Issue Date.

## **RISKS RELATING TO A FUND-LINKED CLASS OF NOTES**

### **Fund Swap Transactions**

**Investors in a Fund-Linked Class of Notes must note that the amount due to be payable on the applicable Maturity Date of the Fund-Linked Class of Notes (funded by any amount receivable by the Issuer under the relevant Asset Swap Transaction) is the *product of* the applicable Redemption Percentage and the then Outstanding Principal Amount of such Class of Notes, provided that Redemption by Instalments is specified as not applicable in the applicable Final Terms. If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, investors should be aware that further returns under a Fund-Linked Class of Notes are still subject to any reduction through application of the applicable Fee Calculation Factor for such Class of Notes and deduction of the Performance Fee (if any) in respect of such Class of Notes (which will, in part, be dependent on the performance of Fund relating to such Class). If Redemption by Instalments is specified as applicable**

**in the applicable Final Terms, investors must note that each Note will be partially redeemed by the payment of an Instalment Amount on the relevant Instalment Date. Investors in a Fund-Linked Class of Notes will therefore be dependent on the performance of the Fund referenced by the Fund Swap Transaction relating to the relevant Fund-Linked Class of Notes for any further return on their Notes and, even in the absence of any Collateral Events (which will likely have reduced the Outstanding Principal Amount), to recover an amount greater than their initial investment in the Fund-Linked Class of Notes.**

#### ***Volatility Target Mechanism risks***

Investors in a Fund-Linked Class of Notes should note that the proportion of the underlying with an exposure to the relevant Fund, and therefore to which any Additional Payout Amount in respect of the Fund-Linked Class of Notes is linked (the “**Reference Portfolio**”) will be determined by a volatility target mechanism (the “**Volatility Target Mechanism**”). The proportion of the Reference Portfolio which is allocated to the Fund may be less than 100 per cent. Therefore an investment in a Fund-Linked Class of Notes is not equivalent to an investment which is linked solely to the performance of the Fund (without the application of the Volatility Target Mechanism) or a direct investment in the Fund.

Specifically, investors in a Fund-Linked Class of Notes should note that:

- (a) should a positive performance of the Fund coincide with a period of high volatility of the Fund, the underlying Reference Portfolio may be less than 100% notionally exposed to the Fund in rising markets, which may result in relative underperformance of the Reference Portfolio as compared to the Fund;
- (b) the Volatility Target Mechanism does not prevent negative performance of the Reference Portfolio;
- (c) as the Volatility Target Mechanism is based on the historical volatility over a certain period, it is not certain that the volatility of the Reference Portfolio is equal to the targeted volatility; and
- (d) due to the time lag in rebalancing the Reference Portfolio in order to meet the allocation determined by the Volatility Target Mechanism, the volatility of the Reference Portfolio may not meet the targeted volatility.

Investors that do not have knowledge and experience of the Volatility Target Mechanism acquired through a previous investment should receive advice before making an investment decision. All of the above factors may result in the reduction of any Additional Payout Amount in respect of a Fund-Linked Class of Notes (potentially to zero).

#### ***Exposure to the performance of the Fund***

A Fund-Linked Class of Notes represent an investment linked to the performance of the Fund and potential investors should note that any Additional Payout Amount in respect of a Fund-Linked Class of Notes will depend on the performance of the Fund. The price, performance or investment return of the Fund may be subject to sudden and large unpredictable changes over time and this degree of change is known as “volatility”. The volatility of the Fund 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 a Fund-Linked Class of Notes.

The performance of the Fund is dependent upon a number of factors, including the amount of liquidity in the international money markets, which are influenced by measures taken by governments and central banks, as well as market speculation and other macroeconomic factors.

Investors in a Fund-Linked Class of Notes should be familiar with the behaviour of the Fund and thoroughly understand how the performance of the Fund may affect payments (or any other benefit to be received) under, or the market value of, a Fund-Linked Class of Notes. The past performance of the Fund is not indicative of future performance. The market value of a Fund-Linked Class of Notes may be adversely affected by a postponement of, or alternative provisions for, the valuation of the level of the Fund.

For certain reasons, including compliance for tax, regulation constraints, or fees extracted at the constituent level, the performance of any Fund component may not precisely track or replicate the performance of the relevant Fund class or the underlying of such Fund component.

### ***Fund-linked Notes***

A Fund-Linked Class of Notes are offered to investors at the relevant price and on the relevant terms on the basis that the Swap Counterparty (or any of its affiliates) can effectively and continuously hedge and manage its risks under or in connection with a Fund-Linked Class of Notes. Therefore, the terms of the Fund Swap Transaction provide that, following the occurrence of certain events outside of the Issuer's, the Calculation Agent's and/or the Swap Counterparty's control that may result in additional risks or costs for such party, the Swap Counterparty or the Calculation Agent (as applicable) may exercise its discretion to take one of the actions available to it in order to deal with the impact of such event on the Swap Counterparty's (or any of its affiliates') hedging arrangements. Such discretions have the effect of, among other things, transferring the risks and costs of certain events which affect the underlying Fund and/or the Calculation Agent's and/or the Swap Counterparty's hedging arrangements from the Issuer, Calculation Agent and/or Swap Counterparty to the Noteholders of a Fund-Linked Class of Notes. It is possible that any such discretionary determination by the Swap Counterparty could have a material adverse impact on the value of a Fund-Linked Class of Notes and/or could result in their early redemption.

### ***Events affecting subscription or redemption***

A Fund-Linked Class of Notes will expose investors in such Class of Notes to risks which are comparable to the risks of which a direct investor in the Fund is exposed. Any Additional Payout Amount in respect of a Fund-Linked Class of Notes will depend on the official net asset value of the shares or units of the Fund on one or more specified dates. However, not all the risks of an investment in the Fund will be reflected in its official net asset value.

In particular, unlike an ordinary share or bond traded on a stock exchange, Fund Units are non-transferable and the subscription or redemption of Fund Units may be subject to certain restrictions, including, without limitation, the requirement to obtain the consent of the relevant Fund Manager. The subscription and redemption process to which an investor in the Fund is subject to is determined by the Fund and/or the relevant Fund Manager, and this presents additional risks to investors. An investor in Fund Units may be prevented from subscribing and redeeming such Fund Units, either at the official net asset value or at all, and the prescribed notice period, timing cut-offs and minimum/maximum amounts in respect of subscriptions and redemptions for Fund Units may be changed. There is also a risk that Fund Units cannot be subscribed for and redeemed at the official net asset value, for example, as a result of the imposition of any charge by the Fund.

A Fund-Linked Class of Notes are offered to investors on the basis that the Issuer, the Calculation Agent and/or the Swap Counterparty will be able to fully and continuously hedge the payment obligations of the Swap Counterparty and the Issuer under a Fund-Linked Class of Notes throughout the term of such Class of Notes. The hedging arrangements of the Swap Counterparty may include subscribing for, redeeming and holding the relevant Fund Units during the term of a Fund-Linked Class of Notes to ensure that the Issuer's obligations under such Class of Notes are at all times matched by the Swap Counterparty's holdings of Fund Units or the Swap Counterparty entering into a financial instrument that provides a similar exposure. As a result of these hedging arrangements, the Swap Counterparty will be exposed to the risks described above and therefore the terms and conditions of the Fund Swap Transaction provide that the Calculation Agent may make certain discretionary determinations following the occurrence of any Fund Event, which will have the effect of transferring certain risks of holding such Fund Units to the Noteholders of a Fund-Linked Class of Notes.

### ***Fee rebate arrangements***

A Fund-Linked Class of Notes are offered to investors on the basis that a fee rebate agreement is in place at all times between the Swap Counterparty and the Fund or the Fund Manager. The termination and/or material modification of such arrangement may result in losses or increased costs to the Swap Counterparty. If such an event occurs, the Calculation Agent may make certain discretionary determinations which will have the effect of transferring the adverse financial impact on the Swap Counterparty of such event to the

Noteholders of a Fund-Linked Class of Notes. See also “*Risk Factors – Fund Adjustment Events*” and “*Risk Factors – Fund Substitution Event*” below.

#### ***Events affecting the characteristics of a Fund***

A Fund-Linked Class of Notes are offered to investors on the basis that the key characteristics of the Fund as at the Trade Date of the Fund Swap Transaction as specified in the applicable Final Terms remain the same throughout the life of such Class of Notes. Such characteristics include the investment objective and strategy of the Fund, its legal structure and its accounting currency. If there is a change to any of these key characteristics of the underlying Fund, the Calculation Agent may make certain discretionary determinations which will have the effect of transferring any adverse financial impact in relation to such change from the Issuer and/or Swap Counterparty of such event to the Noteholders of a Fund-Linked Class of Notes.

#### ***Legal or governmental proceedings***

A Fund-Linked Class of Notes are offered to investors on the basis that the underlying Fund does not become involved with any material litigation, arbitration, investigation, proceeding or regulatory or governmental action in relation to the activities of such Fund(s) or any Fund Service Provider or loses a licence or regulatory authorisation applicable to the Fund(s) or any Fund Service Provider during the term of such Class of Notes. Although these events may not affect the ability of the Swap Counterparty to subscribe and redeem Fund Units, they may affect the ability of the Swap Counterparty to hold Fund Units or may be indicative of potential issues with the ability of the Swap Counterparty to hedge a Fund-Linked Class of Notes as described above and/or give rise to increased risk for the Swap Counterparty in relation to such hedging arrangements. If such an event occurs, the Calculation Agent may make certain discretionary determinations which will have the effect of transferring the risks of the Swap Counterparty relating to such event to Noteholders of a Fund-Linked Class of Notes.

#### ***Inclusion Conditions and Fund Events***

The Inclusion Conditions and the Fund Adjustment Events, Fund Disruption Events, Fund Substitution Events and Fund Defeasance Events have been included in the Fund Swap Transaction as part of the risk management requirements of the Swap Counterparty in relation to its hedging arrangements in relation to a Fund-Linked Class of Notes. The exercise by the Calculation Agent of its discretion under the terms and conditions of the Fund Swap Transaction to take one of the actions available to it in order to deal with the impact of such events may benefit the Calculation Agent and/or Swap Counterparty by transferring the risks associated with such events to the Noteholders of a Fund-Linked Class of Notes. This will reduce the Swap Counterparty’s exposure to such risks and help it to meet its internal risk management requirements. However, the Issuer and the Calculation Agent are under no obligation to monitor compliance of the underlying Fund with the Inclusion Conditions, nor to monitor whether a Fund Event has occurred in respect of an underlying Fund. The Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from violations of the Inclusion Conditions or failure to determine a Fund Substitution Event or other event under a Fund-Linked Class of Notes. Except as provided in the conditions of a Fund-Linked Class of Notes, the Issuer and the Calculation Agent shall not be liable to any party or person for losses resulting from the timing of any determination in relation to Fund Events or Inclusion Conditions or any other action or inaction by the Issuer or the Calculation Agent in respect of a Fund-Linked Class of Notes.

#### ***The Fund is subject to its own unique risks***

The Fund is subject to its own unique risks and investors should review the offering documents of the Fund - including any description of risk factors - prior to making an investment decision regarding a Fund-Linked Class of Notes.

#### ***Investment strategy of the Fund***

The Fund takes positions in equities, bonds and currencies on Nordic markets. In order to manage risk and generate excess return, the Fund takes positions in index-linked derivatives and individual instruments on Nordic equity, bond and currency markets. The Fund may make investments in bonds and money market instruments issued by central governments, municipalities, housing institutions and corporations. The Fund invests in investment grade, high yield and non-rated corporate bonds. The Fund is permitted to invest in

derivatives as part of its investment strategy. The allocation of investment by the Fund between equities and fixed-income securities is continuous and based on the Fund Manager's market view.

The Fund is a "special fund" in accordance with the Swedish Alternative Investment Fund Managers Act and, unlike a traditional mutual fund, the Fund may use short selling strategies in relation to equities and indices that the Fund Manager considers to be overvalued. The Fund widely utilises derivative positions (such as forward contracts), leverage strategies (such as cash loans) and short selling strategies to increase or decrease the Fund's market exposure. As a result, even moderate changes in underlying markets may lead to risk of large changes in the value of the Fund.

Investors should understand the investment strategy of the Fund and the risks related to that strategy prior to making an investment decision regarding a Fund-Linked Class of Notes.

More detail on the investment strategy of the Fund is contained in the Base Prospectus and the key investor information document relating to the Fund attached to the section of this Base Prospectus entitled "*Description of the Fund*".

### ***The performance of a Fund is subject to many factors***

The performance of a Fund is subject to many factors, including the Fund strategies, underlying Fund investments and the Fund Manager.

A Fund-Linked Class of Notes that is linked to a Fund will expose investors in such Class of Notes to risks which are comparable to the risks to which a direct investor in such Fund is exposed. The Additional Payout Amount (if any) payable on a Fund-Linked Class of Notes will depend on the official net asset value of the relevant Fund Unit on one or more specified dates. However, not all the risks of an investment in a Fund will be reflected in its official net asset value.

Funds, and any underlying Fund components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.

The performance of a Fund and any underlying Fund component in which it may invest is dependent on the performance of the Fund Manager in selecting underlying Fund components and the management of the relevant underlying Fund components. No assurance can be given that such persons will succeed in meeting the investment objectives of the Fund.

No assurance can be given (i) in relation to the present or future performance of a Fund and any underlying Fund component in which it may invest, (ii) that any analytical model used by the Fund will prove to be correct or (iii) that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which a Fund has or may invest will prove accurate.

The following is a summary description of certain particular risks in relation to Funds which may have an adverse effect on their performance and/or delay or reduce distribution thereunder which, in turn, could have a material adverse effect on the value and the amount and timing of payment on a Fund-Linked Class of Notes:

- (a) *Illiquidity of fund investments:* The net asset value of a Fund will fluctuate with, among other changes, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the performance of a Fund underlying component(s). Investments by a Fund in certain underlying assets may provide limited liquidity. Interests in a Fund may be subject to certain transfer restrictions, including, without limitation, the requirement to obtain the Fund Manager's consent (which may be given or withheld in its discretion). Furthermore, the relevant Fund offering documents typically provide that interests therein may be voluntarily redeemed only on specific dates of certain calendar months, quarters or years and only if an investor has given the requisite number of days' prior notice to the Fund Manager. A Fund may also reserve the right to suspend redemption rights or make in kind distributions in the event of market disruptions. A Fund is likely to retain a portion of the redemption proceeds pending the completion of the annual audit of the financial statements of such fund, resulting in considerable delay before the full redemption proceeds are received. Such illiquidity may adversely affect the price and timing of any liquidation of a Fund investment entered into by the

Swap Counterparty for the purposes of hedging that is necessary to meet the requirements of any investment guidelines or tests that the Calculation Agent may have requested. Also, limited liquidity increases the risk that the Issuer or Swap Counterparty may be unable to meet its current obligations during periods of adverse general economic conditions, and insufficient liquidity during the final liquidation of assets of a Fund could result in the postponement of payment of amounts owing under a Fund-Linked Class of Notes beyond the scheduled maturity date of such Class of Notes.

- (b) *Reliance on Trading Models:* Some of the strategies and techniques used by the Fund Manager may employ a high degree of reliance on statistical trading models developed from historical analysis of the performance or correlations of certain companies, securities, industries, countries, or markets. There can be no assurance that historical performance that is used to determine such statistical trading models will be a good indication of the future performance of a Fund. If the future performance or such correlations vary significantly from the assumptions used in such statistical models, then the Fund Manager may not achieve its intended results or investment performance.
- (c) *Diversification:* The number and diversity of investments held by a Fund may be limited, even where such Fund holds investments in other funds – particularly where such underlying funds hold similar investments or follow similar investment strategies.
- (d) *Fund leverage:* The Fund Manager may utilise leverage techniques, including the use of borrowed funds, repurchase agreements, swaps and options and other derivative transactions. While such strategies and techniques may increase the opportunity to achieve higher returns on the amounts invested, they will generally also increase the risk of loss.
- (e) *Trading limitations and frequency:* Suspensions or limits for securities listed on a public exchange could render certain strategies followed by a Fund difficult to complete or continue. The frequency of a Fund’s trading may result in portfolio turnover and brokerage commissions that are greater than other investment entities of similar size.
- (f) *Valuations:* The valuation of a Fund is generally controlled by the Fund Manager. Valuations are performed in accordance with the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. Therefore, the Fund Manager and/or Fund Administrator may vary certain quotations for such investments held by the Fund in order to reflect the Fund Manager’s view of the fair value of such investments. As a result, valuations may be subject to subsequent adjustments upward or downward and any uncertainty as to the valuation of the Fund assets and/or accounts may have an adverse effect on the net asset value of the Fund should the Fund Manager’s views regarding valuations prove to be incorrect.
- (g) *Dependence on the expertise of key persons:* The performance of a Fund will depend greatly on the experience of the investment professionals associated with the Fund Manager. The loss of one or more of such individuals could have a material adverse effect on the performance of a Fund.
- (h) *Single fund:* Any Additional Payout Amount in respect of a Fund-Linked Class of Notes is linked to a single fund. Therefore investors in a Fund-Linked Class of Notes have a non-diversified exposure to the performance of the Fund and the Fund Manager and its service providers.

***Determinations made by the Calculation Agent in respect of Fund Adjustment Events, Disruption Events, Fund Substitution Events or Fund Defeasance Events could have an adverse effect on the value of a Fund-Linked Class of Notes***

(a) **Fund Adjustment Events**

Fund Adjustment Events include (1) a sub-division, consolidation or reclassification of the Fund Units, (2) a determination by the Calculation Agent that the published Fund Value of a Fund is not accurate or any transaction in respect of such Fund could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled, (3) the inability of the Swap Counterparty to liquidate the Fund Units in accordance with the relevant subscription and

redemption terms and any subsequent amendments to, (4) any event having a diluting or concentrative effect on the theoretical value of the Fund Units, (5) a material adverse change in the Fund's accounting, regulatory or tax treatment which does or would adversely affect holders of the Fund Units or the Swap Counterparty suffers or would suffer such adverse treatment as a result, (6) a material change in any fee arrangement that is in place on the Trade Date between the Swap Counterparty and a Fund or the Fund Manager or (7) a material breach by the Fund Manager or any of its affiliates of any agreement with the Swap Counterparty that is in place on the Trade Date.

Upon determining that a Fund Adjustment Event has occurred in respect of a Fund Unit and the related Fund, the Calculation Agent has the discretion to make adjustments (without the consent of Noteholders) to the terms and conditions of the Fund Swap Transaction used to determine or derive the valuation of any amounts payable under a Fund-Linked Class of Notes to account for such event. This could have a material adverse effect on the value of a Fund-Linked Class of Notes and may reduce the amount(s) that would otherwise be payable under such Class of Notes.

(b) **Disruption Events**

A Disruption Event can be a Fund Disruption Event or a Market Disruption Event:

Fund Disruption Events include (1) a failure, suspension or postponement in the reporting or publishing of the Fund Value in respect of a Fund as scheduled or any event preventing the receipt of the Fund Value, (2) where the Calculation Agent reasonably determines that the published Fund Value of a Fund is not accurate or any transaction in respect of such Fund could not be transacted at such value or with a cash consideration in full, and to be received as scheduled, (3) the inability of a Hypothetical Investor to liquidate the Fund Units or any other interest received by a Fund when scheduled, (4) a postponement, suspension or failure of a Fund to make any payment in respect of the redemption of any interest in the Fund as scheduled, and (5) the Swap Counterparty is not permitted to subscribe for or redeem interests in a Fund in accordance with the relevant offering documents.

Market Disruption Events include (1) when the foreign exchange market or money market in U.S. dollars, the Settlement Currency or the Fund Currency is or are closed otherwise than for ordinary public holidays or if trading is restricted or suspended, and this would have a material impact on the ability of the Calculation Agent and/or the Calculation Agent to determine the value of a Fund-Linked Class of Notes accurately or on the ability of the Swap Counterparty to execute a hedge in respect of such Class of Notes, and (2) where there is a breakdown of any means of communication normally used for the valuation by the Calculation Agent of the Fund Unit or if the Calculation Agent is informed, or determines, that the last reported Fund Value should not be relied upon.

If the Calculation Agent determines that a Disruption Event has occurred on a Reference Date, it may elect to (1) calculate, determine or adjust any variable in respect of a Fund-Linked Class of Notes or make any payment using an estimate of any variable in respect of such Class of Notes, or (2) postpone any payment or calculation in respect of such Reference Date until the Disruption Event has ceased. This could have a material adverse effect on the value of a Fund-Linked Class of Notes and may reduce the amount(s) that would otherwise be payable under such Class of Notes.

(c) **Fund Substitution Events**

Fund Substitution Events include (1) events relating to the insolvency, winding up or cessation of trading of a Fund Units, a Fund or any Fund Service Provider, (2) any litigation, arbitration, investigation, proceeding and/or regulatory or governmental action in relation to the activities of a Fund or any Fund Service Provider for reasons of any alleged wrongdoing or breach of rules which, if true, would have a material effect on the Fund Value, (3) loss of an applicable licence or regulatory authorisation necessary for the conduct of the business of a Fund or any Fund Service Provider (unless the Calculation Agent determines this to be immaterial), (4) the instigation or resolution of any legal proceedings against a Fund or any Fund Service Provider which, if successful, would have a material adverse effect on the Fund Value, (5) a material change to the legal constitution or management of a Fund, (6) a material modification of the investment objectives and strategies of a Fund, (7) a material breach of the investment objective and strategy of the Fund

which has not been cured within 10 calendar days to the satisfaction of the Swap Counterparty (provided that the cure period does not apply to any third or subsequent breach), (8) the aggregate net asset value of assets managed by the Fund Manager decreases by more than the specified Fund Manager NAV Threshold since the Trade Date, (9) the accounting currency of a Fund changes, (10) a Fund adopts series accounting or equalisation treatment such that the Swap Counterparty is not able to make a single unitised investment in a Fund Unit equivalent to the single unitised investment used in the calculation of the Fund Value unless agreed with the Swap Counterparty, (11) a material breach by the Fund Manager or any of its affiliates of any agreement with the Swap Counterparty that is in place on the Trade Date, and (12) a Fund does not comply with the specified criteria relating to liquidity, fee structure, minimum fund size and publication of the Fund Value.

A Fund Substitution Event will also occur if any of the following events in respect of a Fund Unit and the related Fund is not remedied reasonably promptly by the Fund (or within the applicable cure periods as specified) to the reasonable satisfaction of the Calculation Agent, and that, in the sole determination of the Calculation Agent, has a material effect on the ability of the Swap Counterparty to hedge its obligations in respect of a Fund-Linked Class of Notes: (1) a mandatory redemption occurs (in whole or in part), (2) the Fund charges the Swap Counterparty a transaction fee for any subscription or redemption of its Fund Units, (3) the Swap Counterparty is unable to subscribe for or redeem Fund Units on a Fund Business Day, (4) the subscription or redemption terms in respect of the Fund provide for subscriptions or redemptions less frequently than the Subscription Frequency and Redemption Frequency or notification periods in respect of subscriptions or redemptions longer than the Subscription Notice Period and Redemption Notice Period, respectively, and settlement periods in respect of redemptions longer than the Redemption Settlement Period, or (5) the Fund suffers a material adverse change in its legal, accounting, regulatory or tax treatment that would or does adversely affect the Swap Counterparty and such change has not been cured within 30 calendar days. If the Calculation Agent determines that a Fund Substitution Event has occurred in respect of a Fund Unit and the related Fund, it may (1) waive such event, (2) substitute such Fund with one or more funds which comply with the Inclusion Conditions, (3) adjust the weighting of any one or more Fund Units, and (4) make adjustments to the terms and conditions of the Fund Swap Transaction to account for such event. This could have a material adverse effect on the value of a Fund-Linked Class of Notes and may reduce the amount(s) that would otherwise be payable under such Class of Notes.

(d) **Fund Defeasance Events**

Fund Defeasance Events include (1) where a Fund Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable substitute fund, (2) a Disruption Event exists and subsists at any time during the term of a Fund-Linked Class of Notes for a consecutive number of days equal to the Maximum Days of Disruption, and (3) as a result of (aa) any adoption of, or change in, law or regulation or its interpretation, (bb) any determination of a regulatory or taxation authority applicable to the Swap Counterparty or a Fund, or (cc) the application of the Swap Counterparty's regulatory capital treatment or funding treatment of a Fund-Linked Class of Notes or its associated hedging arrangements or any change thereto: (x) it becomes unlawful or prohibited for the Swap Counterparty to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Fund; (y) the cost of the hedging arrangements in respect of a Fund-Linked Class of Notes would be materially increased; or (z) there would be a material decline in the Fund Value of a Fund.

If the Calculation Agent determines that one or more Fund Defeasance Events have occurred, it may, but is not obliged to, calculate the Unscheduled Termination Amount payable on the Maturity Date in place of the Swap Counterparty Equity Final Exchange Amount.

## **RISKS RELATING TO AN EQUITY-LINKED CLASS OF NOTES OR AN EQUITY INDEX-LINKED CLASS OF NOTES**

### **Equity Swap Transactions**

**Investors in an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes must note that the amount due to be payable on the applicable Maturity Date of such Class of Notes (funded by any amount receivable by the Issuer under the relevant Asset Swap Transaction) is the *product* of the applicable Redemption Percentage and the then Outstanding Principal Amount of such Class of Notes, provided that Redemption by Instalments is specified as not applicable in the applicable Final Terms. If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, investors should be aware that further returns under an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes in respect of such Notes are still subject to any reduction through application of the applicable Fee Calculation Factor for such Class of Notes and deduction of the Performance Fee (if any) in respect of such Class of Notes (which will, in part, be dependent on the performance of Class Equity Basket or the Class Equity Index Basket (as applicable) relating to such Class). If Redemption by Instalments is specified as applicable in the applicable Final Terms, investors must note that each Note will be partially redeemed by the payment of an Instalment Amount on the relevant Instalment Date. Investors in an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes will therefore be dependent on the performance of the Class Equity Basket or the Class Equity Index Basket (as applicable) referenced by the Equity Swap Transaction relating to such Class of Notes for any further return on their Notes and, even in the absence of any Collateral Events (which will likely have reduced the Outstanding Principal Amount), to recover an amount at least equal to their initial investment in the relevant Class of Notes.**

A number of market, economic, legal and regulatory and other factors may affect the performance of the shares and the USD/SEK, EUR/SEK and/or GBP/SEK foreign exchange rates referenced by the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes. Such factors may include, without limitation, interest rates, currency exchange rates, geographically and industrially specific economic factors linked to the geographical areas and industrial sectors of the companies to which such shares relate, sovereign credit risk and the stability of the financial system among others. Investors must not invest in any of the Notes unless they are able to fully understand the terms of the Equity Swap Transaction and assess the risks associated with the Equity Swap Transaction and understand that the performance of the Equity Swap Transaction and the Class of Notes is dependent on the performance of the Class Equity Basket or the Class Equity Index Basket (as applicable) referenced by the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes. Investors may request electronic copies of the confirmation of the Equity Swap Transaction free of charge from the Issuer and the Issuing and Paying Agent.

Credit Suisse International acts in a number of capacities in respect of, and related to, a Series of Notes, including, as Swap Counterparty in respect of an Equity Swap Transaction. Accordingly, investors are also exposed to the credit risk of Credit Suisse International as Swap Counterparty. If Credit Suisse International were to default under its obligations under an Equity Swap Transaction as a result of insolvency, bankruptcy or for any other reason, then the value of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes would be significantly affected and may even fall to zero. It is also highly likely in such circumstances that an Early Redemption Event would occur in respect of the Notes of a Series. More detail regarding the exposure to Credit Suisse International in respect of the Notes of a Series is set out above and below including, without limitation, under “*Risks relating to the business of Credit Suisse International*” and “*Recent Global Events*”.

### ***Certain risks relating to the Class Equity Basket and the Class Equity Index Basket***

The Class Equity Basket may reference a single share or multiple shares, each with a separate weighting. The performance of each of the companies whose shares are referenced in the Class Equity Basket may be significantly affected by market developments in the business areas in which it operates as well as economic, political and natural developments, changes and disasters that occur in respect of the regions in which it operates. Furthermore, in connection with businesses generally, the performance of each such company is likely to be affected by macro-economic issues affecting business on a continental and global basis. Other

matters, such as litigation, regulatory changes, competition, management and other issues may also have a significant effect on the performance of any company, and its shares, referenced in the Class Equity Basket.

The Class Equity Index Basket may reference a basket comprising a single equity index or multiple equity indices, each with a separate weighting, which may track companies based in a variety of countries. An equity index comprises a synthetic portfolio of shares or other assets, and as such, the performance of such index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such index, which may include interest and price levels on the capital markets, currency developments, political factors (and in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. Furthermore, the sponsor of an index can add, delete or substitute the components of such index or make other methodological changes that could change the level of one or more components. The changing of the components of an index may affect the level of such index as a newly added component may perform significantly worse or better than the component it replaces. The sponsor of an index may also alter, discontinue or suspend calculation or dissemination of such index. The sponsor of an index will have no involvement in the offer and sale of Notes and will have no obligation to any investor in such Notes. The sponsor of an index will have no involvement in the offer and sale of the Notes and will have no obligation to any investor in such Notes. The sponsor of an index may take any actions in respect of such index without regard to the interests of the investor in Notes, and any of these actions could have an adverse effect on the value of Notes.

The Swap Counterparty Equity Final Exchange Amount receivable by the Issuer in respect of the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes (which determines the Additional Payout Amount, if any, payable in respect of such Class of Notes) is determined pursuant to a formula set out in the terms of the Equity Swap Transaction (as described in more detail in the sections of this Base Prospectus entitled “*Transaction Description*” and “*Description of the Equity Swap Transactions*”). Pursuant to this formula, such Swap Counterparty Equity Final Exchange Amount in respect of the Equity Swap Transaction is significantly dependent on the aggregate average share price (determined by reference to the relevant formula) in the Class Equity Basket or the aggregate average index level (determined by reference to the relevant formula) of the Class Equity Index Basket (as applicable) on the Averaging Dates falling during the term of the Equity Swap Transaction being higher than the aggregate share price or index level (determined by reference to the relevant formula) as at the Initial Setting Date(s), as well as any variations in the USD/SEK, EUR/SEK and/or GBP/SEK foreign exchange rates (as applicable) as described below. Accordingly, the worse one or more shares performs on one or more Averaging Dates in respect of the Class Equity Basket or the Class Equity Index Basket (as applicable), the lower the Swap Counterparty Equity Final Exchange Amount (which may have the effect of reducing the Additional Payout Amount in respect of the Class of Notes) will be and may even cause such Swap Counterparty Equity Final Exchange Amount (and related Additional Payout Amount) to be zero.

It is important to note that the average share price of each share comprised in the Class Equity Basket and the weighted average of each index comprised in the Class Equity Index Basket is determined by reference to the share prices or index levels (as applicable) on each Averaging Date. Accordingly, it is the official closing price of such share or level of such index on such Averaging Dates that is relevant and not the price of such share or level of such index at any other time for the purposes of the formula applied in determining the Swap Counterparty Equity Final Exchange Amount due under the Equity Swap Transaction. Accordingly, in respect of the Class Equity Basket, while the price of any share comprised in the Class Equity Basket may, on average, increase during the term of the Equity Swap Transaction, this may not be reflected in the Swap Counterparty Equity Final Exchange Amount (if any) payable to the Issuer. Similarly, in respect of the Class Equity Index Basket, while the level of any index comprised in the Class Equity Index Basket may, on a weighted average basis, increase during the term of the relevant Equity Swap Transaction, this may not be reflected in the Swap Counterparty Equity Final Exchange Amount (if any) payable to the Issuer.

Where Method 2 is specified as the Equity Final Exchange Amount Calculation Method in respect of an Equity-Linked Class of Notes, for the purpose of calculating the Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction relating to such Equity-Linked Class of Notes, the relative share return in respect of each of the Best Performing Shares within the Class Equity Basket will be presumed to be equal to the Replacement Level, irrespective of the actual performance of

each such shares. Consequently, in a situation where one or more of the Best Performing Shares within the Class Equity Basket has a relative share return which is above the Replacement Level, a Noteholder might benefit less than they would have done had they held direct interests in such shares (as opposed to gaining exposure to the performance of such shares by investing in the such Class of Notes).

***Certain risks relating to the foreign exchange rate referenced in the Equity Swap Transaction***

The formula for determining the Swap Counterparty Equity Final Exchange Amount payable to the Issuer in respect of the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes may also reference a foreign exchange rate between SEK and USD, EUR or GBP (as applicable). This will change on a daily basis from its position as at the Trade Date in respect of such Equity Swap Transaction specified in the applicable Final Terms and is determined by reference to the applicable daily fixing rate of exchange of SEK per USD, EUR or GBP 1 (as described in more detail in the section of this Base Prospectus entitled “*Transaction Description*”). Accordingly, fluctuations in the foreign exchange rate between SEK and USD, EUR or GBP (as applicable) affect the amount of any such Swap Counterparty Equity Final Exchange Amount and accordingly, the return on an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes and such effect may be negative or positive.

***Disruption Events in respect of the Equity Swap Transaction***

Credit Suisse International as Calculation Agent in respect of the Equity Swap Transaction relating to the an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes may determine that a Market Disruption Event (as defined in the 2002 Equity Derivatives Definitions published by ISDA (the “**Equity Derivatives Definitions**”) incorporated by reference in the confirmation of the Equity Swap Transaction) has occurred in respect of the Class Equity Basket or Class Equity Index Basket (as applicable) on a relevant Averaging Date or Initial Setting Date(s). Market Disruption Events include events relating to the early closure of the relevant stock exchange, suspension or limitation of trading of any relevant share referenced or tracked in the Class Equity Basket or Class Equity Index Basket (as applicable), or any event that disrupts or impairs the ability of market participants to effect transactions in or obtain market values for any relevant share referenced or tracked in the Class Equity Basket or Class Equity Index Basket (as applicable). Any such determination by Credit Suisse International as Calculation Agent in respect of an Equity Swap Transaction that a Market Disruption Event has occurred, may have an adverse effect on the value of the Equity Swap Transaction and may significantly delay the settlement date of the Equity Swap Transaction and, accordingly, the final payment under the Equity Swap Transaction and the applicable maturity date of the relevant Class of Notes.

***Additional Disruption Events in respect of the Equity Swap Transaction***

If Credit Suisse International as Calculation Agent under the Swap Agreement determines that, in respect of any Equity Swap Transaction, a Change in Law, Insolvency Filing, Hedging Disruption or Increased Cost of Hedging (each as defined in the Equity Derivatives Definitions) has occurred (each such event, being an “**Additional Disruption Event**” in respect of the Equity Swap Transaction), it will determine (i) that such adjustments be made to the terms of the Equity Swap Transaction to take account of such Additional Disruption Event or (ii) that no adjustments to the terms of the Equity Swap Transaction would achieve a commercially reasonable result and as such it may deem that the Equity Swap Transaction affected by such Additional Disruption Event would be terminated.

Accordingly, the occurrence of any Additional Disruption Event may have an adverse effect on the value of the Equity Swap Transaction and an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes. Furthermore, as a result of such adjustment in respect of the Equity Swap Transaction due to the occurrence of such Additional Disruption Event, the Additional Payout Amount, if any, payable on the relevant Additional Payout Amount Payment may be significantly lower than if such Additional Disruption Event had not occurred and may even be zero. Such Additional Disruption Event could also delay the settlement date of the Equity Swap Transaction and, accordingly, the final payment under the Equity Swap Transaction and the maturity of the Notes.

### ***Further adjustments in respect of the Equity Swap Transaction***

Pursuant to the terms of the Equity Swap Transaction relating to an Equity-Linked Class of Notes, Extraordinary Events in respect of the shares referenced in the Class Equity Basket (including merger events, tender offers, de-listing events, nationalisation and insolvency), as well as certain Potential Adjustment Events, may occur. If Credit Suisse International, as Calculation Agent in respect of the Equity Swap Transaction referencing the Class Equity Basket determines that any such event has occurred, the Equity Swap Transaction may be terminated, or it may make such adjustments to the terms of the Equity Swap Transaction, including in connection with the shares referenced therein and any calculations or determinations made, or to be made, in connection with amounts payable in respect of the Equity Swap Transaction to account for such event.

Pursuant to the terms of the Equity Swap Transaction relating to an Equity Index-Linked Class of Notes, Index Adjustment Events in respect of the basket comprising a single equity index or multiple equity indices referenced in the Class Equity Index Basket (including index modification, index cancellation and index disruption) may occur. If Credit Suisse International as Calculation Agent in respect of the Equity Swap Transaction referencing the Class Equity Index Basket determines that any such event has occurred, the relevant Equity Swap Transaction may be terminated or it may make such adjustments to the terms of the relevant Equity Swap Transaction, including in connection with the index or indices referenced therein and any calculations or determinations made, or to be made, in connection with amounts payable in respect of such Equity Swap Transaction to account for such event.

In respect of Extraordinary Events, if Credit Suisse International as Calculation Agent in respect of the Equity Swap Transaction referencing the Class Equity Basket or Class Equity Index Basket (as applicable) determines that no adjustments to the terms of the Equity Swap Transaction would achieve a commercially reasonable result, then it may deem that the Equity Swap Transaction affected would be terminated. Accordingly, any such events may have a significant, negative effect on the value of the Equity Swap Transaction and may reduce any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction and the Additional Payout Amount payable on an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes.

## **RISKS RELATING TO A CERTIFICATE-LINKED CLASS OF NOTES**

### **Risks relating to the Class Equity Original Collateral**

**Investors must note that the amount due to be payable on the Maturity Date of a Certificate-Linked Class of Notes (funded by any amount receivable by the Issuer under the relevant Asset Swap Transaction) is the *product of* the applicable Redemption Percentage and the then Outstanding Principal Amount of such Class of Notes, provided that Redemption by Instalments is specified as not applicable in the applicable Final Terms. If Redemption by Instalments is specified as applicable in the applicable Final Terms, investors must note that each Note will be partially redeemed by the payment of an Instalment Amount on the relevant Instalment Date. Investors in a Certificate-Linked Class of Notes will therefore be dependent on the performance of the Fund Basket referenced by the Class Equity Original Collateral relating to their Class of Notes for any further return on their Notes and, even in the absence of any Collateral Events (which will likely have reduced the Outstanding Principal Amount), to recover an amount greater than their initial investment in the Notes.**

A number of market, economic, legal and regulatory and other factors may affect the performance of the funds referenced in the Class Equity Original Collateral. Such factors may include, without limitation, market risks on assets held by a fund, illiquid investments held by a fund, delayed publication of a fund's net asset value, liquidation of a fund, concentration risks of assets held by a fund, currency risks, assets held by a fund in markets with limited legal certainty, dependence on the expertise of the investment manager responsible for implementing the applicable investment strategy, conflicts of interest, fees charged by the fund and limited supervision. Investors must not invest in a Certificate-Linked Class of Notes unless they are able to fully understand the terms of the Class Equity Original Collateral and assess the risks associated with the Class Equity Original Collateral and understand that the performance of the Class Equity Original Collateral and each related Class of Notes is dependent on the performance of the Fund Basket referenced by

the Class Equity Original Collateral. The final terms of the Class Equity Original Collateral are set out the section of this Base Prospectus entitled “*Description of the Class Equity Original Collateral*”.

***Certain risks relating to the basket of funds referenced by the Class Equity Original Collateral***

The Fund Basket referenced by the Class Equity Original Collateral references a notional investment in three funds. Each fund has different investment objectives and will adopt different investment strategies. The managers of the funds will have no involvement in the offer and sale of the Class Equity Original Collateral or the Notes and will have no obligation to any investor in the Class Equity Original Collateral or the Notes. Any such person may take any actions in respect of such fund without regard to the interests of the Issuer (as holder of the Class Equity Original Collateral) or the Noteholders, and any of these actions could adversely affect the market value of the Class Equity Original Collateral and therefore could adversely affect the market value of the Notes.

The Class Equity Original Collateral Redemption Amount receivable by the Issuer in respect of the Class Equity Original Collateral relating to the relevant Certificate-Linked Class of Notes (which determines the Additional Payout Amount, if any, payable in respect of such Class of Notes) is determined pursuant to a formula set out in the terms of the Class Equity Original Collateral (as described in more detail in the section of this Base Prospectus entitled “*Transaction Description*” and as set out in the final terms of the Class Equity Original Collateral set out in the section of this Base Prospectus entitled “*Description of the Class Equity Original Collateral*”). Pursuant to this formula, such Class Equity Original Collateral Redemption Amount is significantly dependent on the average portfolio value of the Fund Basket (determined by reference to the formula) on the Valuation Averaging Dates (as defined in the terms of the Class Equity Original Collateral) falling during the term of the Class Equity Original Collateral being higher than the portfolio value of the Fund Basket (determined by reference to the formula) as at the Fixing Date, as described below. Accordingly, the lower the portfolio value of the Fund Basket is on one or more Valuation Averaging Dates in respect of the Fund Basket the lower the Class Equity Original Collateral Redemption Amount (which may have the effect of reducing the Additional Payout Amount in respect of the related Class of Notes) will be and may even cause such Class Equity Original Collateral Redemption Amount (and related Additional Payout Amount) to be zero.

It is important to note that the average portfolio value of the Fund Basket is determined by reference to the portfolio value on each Valuation Averaging Date. Accordingly, it is the portfolio value of the Fund Basket on such Valuation Averaging Dates that is relevant and not the portfolio value of the Fund Basket at any other time for the purposes of the formula applied in determining the Class Equity Original Collateral Redemption Amount due under the Class Equity Original Collateral. Accordingly, while the value of any fund comprised in the Fund Basket may, on average, increase during the term of the Class Equity Original Collateral, this may not be reflected in the Class Equity Original Collateral Redemption Amount (if any) payable to the Issuer.

***Potential adjustment events in respect of the Class Equity Original Collateral***

The Equity Original Collateral Obligor and UBS AG, in its role as the Calculation Agent under the terms of the Class Equity Original Collateral (the “**Equity Original Collateral Calculation Agent**”), may determine that a certain event (a “Potential Adjustment Event” as set out in the terms of the Class Equity Original Collateral, which includes, among others, (i) a violation or change of any material terms in the marketing of the fund; (ii) a change in the main investment objective of the fund; (iii) a change in the currency in which the net asset value of the fund is reported; (iv) the net asset value of the fund not being calculated or announced when it ordinarily would be available; (v) restrictions or limitations of redemptions or subscriptions for the fund being imposed; (vi) regulatory or tax treatment being changed; (vii) a review or investigation of the activities of the fund or its manager; (viii) the Equity Original Collateral Obligor being the beneficial owner of 25 % or more of the fund units of the fund; (ix) any winding-up, liquidation of, or any termination or any loss of regulatory approval, license or registration of, a manager, or any merger, demerger, winding-up or liquidation of or affecting the fund; (x) any arrangement between the Equity Original Collateral Obligor and the fund or manager being changed or terminated; and (xi) any event in respect of a fund that, in the opinion of the Equity Original Collateral Obligor and the Equity Original Collateral Calculation Agent affects the Equity Original Collateral Obligor’s hedging activities in relation to its

exposure under the Class Equity Original Collateral) has occurred and may, if they determine in their reasonable discretion that such event is material and adversely affects the relevant fund or the calculation of the net asset value of the relevant fund, make adjustments to any calculation methods, values or terms in respect of the Class Equity Original Collateral or select a suitable alternative fund with reasonably similar investment mandates that meets certain criteria, as more fully set out in the terms of the Class Equity Original Collateral.

***No representations; no guarantee of performance***

None of the Issuer, the Trustee, any Agent or Credit Suisse International (or any of its affiliates) has made or will make any representation whatsoever with respect to the Equity Original Collateral Obligor or the Class Equity Original Collateral on which any Noteholder is relying or is entitled to rely. None of the Issuer, the Trustee, any Agent or Credit Suisse International (or any of its affiliates) is responsible for the Equity Original Collateral Obligor's public disclosure of information.

***No claim against the Equity Original Collateral Obligor***

A Certificate-Linked Class of Notes Class will not represent a claim against the Equity Original Collateral Obligor and, in the event of any loss, a Noteholder will not have recourse to the Equity Original Collateral Obligor.

In particular, Noteholders of a Certificate-Linked Class of Notes will not have:

- (a) the right to vote or give or withhold from giving any consent in relation to the Equity Original Collateral Obligor;
- (b) the right to receive any coupons, fees or other distributions which may be paid by the Equity Original Collateral Obligor to holders of the Class Equity Original Collateral; or
- (c) the right to receive any information from the Equity Original Collateral Obligor.

Accordingly, an investment in a Class of Notes is not equivalent to an investment in the Class Equity Original Collateral.

***Determinations***

The determination as to whether an Equity Collateral Event has occurred shall be made by the Calculation Agent and without regard to any related determination by the Equity Original Collateral Obligor or any action taken, omitted to be taken or suffered to be taken by any other person, including, without limitation, any creditor of the Equity Original Collateral Obligor.

***Replacement of the Equity Original Collateral Obligor***

Provided that certain conditions are met, the Equity Original Collateral Obligor is entitled to substitute another company within the UBS Group (as defined in the terms of the Class Equity Original Collateral) as issuer of the Class Equity Original Collateral, as described more fully in the terms of the Class Equity Original Collateral. Accordingly, the credit exposure of the Issuer and the Noteholders to the Equity Original Collateral Obligor may change.

**RISKS RELATING TO ONGOING FEE ARRANGEMENT**

**Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable**

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, commissions will be paid to the Distributor during the life of the Notes of the relevant Series. These commissions will be satisfied through:

- (a) the sale, subject to certain conditions, of portions of the Original Collateral;
- (b) the value associated with the effective annual reduction in the notional amount relating to payments due from the Swap Counterparty under each Asset Swap Transaction;
- (c) the value associated with the effective annual reduction in the Swap Notional Amount under the relevant Fund Swap Transaction or Equity Swap Transaction (if any); and

- (d) the Performance Fee deducted in the calculation of any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the relevant Fund Swap Transaction or Equity Swap Transaction.

Such Performance Fee depends, in part, on the performance of the Fund, Class Equity Basket or Class Equity Index Basket (as applicable) referenced by the relevant Fund Swap Transaction or Equity Swap Transaction relating to such Class of Notes.

The Dealer will use each such commissions payable by the Issuer to pay corresponding commissions to the Distributor. The commission payable to the Distributor that corresponds to amounts described in the section entitled “*Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable – Sale of Original Collateral*” below will be paid by the Dealer to the Distributor in respect of the issue of the Notes of a Series on the fifth Business Day following the sale of the relevant portion of each applicable Collateral Component. Such sales shall take place on or around each FCF Observation Date specified in the applicable Final Terms. The commission payable to the Distributor that corresponds to amounts described in the section entitled “*Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable – Asset Swap Transactions*” below will be paid by the Dealer to the Distributor on the fifth Business Day following each FCF Observation Date. The commissions described in the section entitled “*Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable – Fund Swap Transactions and Equity Swap Transactions*” below are payable on the maturity date of the Notes of a Series or, if applicable, the relevant Early Redemption Date of such Notes.

Notwithstanding the above, the Dealer and the Distributor have agreed that if any portion of Notes is held by a Dealer and/or any of its affiliates, the amount required to be paid to the Distributor will be reduced by the proportion which such portion of Notes held by such Dealer and/or its affiliates bears to all of the outstanding Notes.

***Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable – Sale of Original Collateral***

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms and the Calculation Agent determines on an FCF Observation Date that the FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount is equal to or greater than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral Component Amount, the Calculation Agent shall instruct the Disposal Agent to sell a portion of such Class Collateral Component Amount equal to the FCF Collateral Liquidation Amount rounded down to the nearest integer multiple of the denomination or minimum trading lot (as applicable) of such Class Collateral Component Amount. The proceeds of such sale shall be paid to the Dealer and subsequently paid by such Dealer to the Distributor in order to satisfy the annual commissions. The obligation of the Issuer to pay amounts under the Asset Swap Transaction shall be reduced to reflect the sale of any Original Collateral.

The nominal amount of each Class Collateral Component Amount sold pursuant to paragraph (i) above shall be no greater than the relevant FCF Collateral Liquidation Amount, being an amount equal to: (A) the Fee Calculation Factor applicable at the immediately preceding FCF Observation Date minus the Fee Calculation Factor applicable at the relevant FCF Observation Date multiplied by (B) the nominal amount of the Class Collateral Component Amount as at the Issue Date (as adjusted for repurchases and cancellations).

If the relevant FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount is less than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral Component Amount, no such sale shall be instructed.

***Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable – Asset Swap Transactions***

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, the final exchange amount payable by the Swap Counterparty to the Issuer under the Asset Swap Transactions is effectively reduced by the applicable FCF Differential (which is expected to be approximately 1%) annually through the application of the Fee Calculation Factor. Accordingly, any amounts due to the Issuer under each Asset Swap Transaction from the Swap Counterparty will be reduced by the application of the Fee Calculation Factor. This means that any such amount payable will be multiplied by the Fee Calculation Factor (which

will be 100% on the applicable Issue Date and will decrease to the applicable final Fee Calculation Factor on the Maturity Date of the Notes of a Series, as determined in the manner set out in the Asset Swap Transaction). For the avoidance of doubt, where no Original Collateral is sold in respect of an FCF Observation Date as described above, while the final exchange amount receivable by the Issuer under each Asset Swap Transaction is reduced by the application of the Fee Calculation Factor, the payments due from the Issuer to the Swap Counterparty under each Asset Swap Transaction will remain the same.

The amounts payable to the Issuer will therefore be less than the amounts which would otherwise have been payable if such Fee Calculation Factor had not been applied. There is no assurance that investors will receive 100% of the amount invested in any Class of Notes of a Series, which will be dependent on, among other things, the performance of the Fund, Class Equity Basket or Class Equity Index Basket (as applicable) and the resulting Swap Counterparty Equity Final Exchange Amount payable to the Issuer under the relevant Fund Swap Transaction or Equity Swap Transaction. Such Swap Counterparty Equity Final Exchange Amount (the calculation of which takes into account the relevant Fee Calculation Factor that is applied and the Performance Fee that is payable in respect of any such Class of Notes) will determine the Additional Payout Amount. Investors will rely on the Additional Payout Amount payable under the relevant Class of Notes to make up for such shortfall resulting from application of such Fee Calculation Factor.

***Payments of Commissions to the Distributor if Ongoing Fee Arrangement is Applicable – Fund Swap Transactions and Equity Swap Transactions***

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, the Additional Payout Amount (if any) payable under each Fund-Linked Class of Notes, Equity-Linked Class of Notes or Equity Index-Linked Class of Notes takes into account the payment of commissions to the Distributor by effectively reducing the Swap Notional Amount of each Fund Swap Transaction or Equity Swap Transaction through the application of the Fee Calculation Factor (which will be the applicable Fee Calculation Factor on the Additional Payout Amount Payment Date) and deducting a Performance Fee in the calculation of the applicable Swap Counterparty Equity Final Exchange Amount, which is calculated for each such Class of Notes and which is dependent, in part, on the performance of the Fund, Class Equity Basket or Class Equity Index Basket (as applicable) referenced by the relevant Fund Swap Transaction or Equity Swap Transaction relating to such Class of Notes. To receive at least 100% of the amount invested in any Class of Notes, an investor is reliant upon an Additional Payout Amount being payable under such Class of Notes after the application of the relevant Fee Calculation Factor and deduction of the Performance Fee in the calculation of such Swap Counterparty Equity Final Exchange Amount.

A Performance Fee will only be payable in respect of a Class of Notes of a Series where the Swap Counterparty Equity Final Exchange Amount (prior to the deduction of the Performance Fee in its calculation) that would otherwise have been payable to the Issuer under the Fund Swap Transaction or Equity Swap Transaction relating to such Class exceeds an amount equal to the *product of* (a) the difference between 100% and the applicable Fee Calculation Factor on the Additional Payout Amount Payment Date and (b) the Initial Class Aggregate Nominal Amount of such Class (such amount, the “**Performance Fee Threshold Amount**”). In such cases, the Performance Fee in respect of a Class is equal to 10% of such amount by which the Swap Counterparty Equity Final Exchange Amount (prior to the deduction of such Performance Fee in its calculation) that would otherwise have been receivable by the Issuer under the Fund Swap Transaction or Equity Swap Transaction relating to that Class exceeds the Performance Fee Threshold Amount.

Therefore, the application of the relevant Fee Calculation Factor and the deduction of any Performance Fee in the calculation of the Swap Counterparty Equity Final Exchange Amount receivable in respect of the Fund Swap Transaction or Equity Swap Transaction referencing the Fund, Class Equity Basket or Class Equity Index Basket (as applicable) when calculating the Additional Payout Amount (if any) payable in respect of such Class will result in a lower Additional Payout Amount than had such commissions referred to above not been payable and may adversely affect an investor’s ability to recover the amount invested in the Notes of such Series and may substantially reduce any Additional Payout Amount.

The Performance Fee and the application of the Fee Calculation Factor are described more fully in the sections of this Base Prospectus entitled “*Transaction Description*” and “*Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement*”.

## TRANSACTION DESCRIPTION

*This Transaction Description must be read as a description only of certain features that may be relevant to a Series or Class of Notes. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus, including the documents incorporated by reference herein, as it applies to such Notes.*

*This Transaction Description does not contain all the information which may be important to prospective investors. Prospective investors should read the entirety of this Base Prospectus and the documents incorporated by reference herein.*

*Prospective investors should consult the section guide at the end of this Transaction Description for guidance on sections of this Base Prospectus which relate to all types of Notes generally and sections which relate only to a Series or Class of Notes having specific features as elected within the relevant Final Terms. In addition, prospective investors should consult with their investment, legal, accounting, tax and other advisers with respect to any investment in any Notes.*

*The information contained in this section is subject in its entirety to the Final Terms of the Notes of a Series.*

*This section is not intended as a description of the risks an investment in any Notes may involve. Risks specifically relating to any Notes are set out in the section of this Base Prospectus entitled “Risk Factors”.*

### Overview of Notes

#### *Issuer*

Notes are issued by Argentum Capital S.A. (the “**Company**”) acting in respect of a compartment (a “**Compartment**”) specified in the applicable Final Terms (in such capacity, the “**Issuer**”) and are secured, limited recourse obligations of the Issuer. The Issuer is described in more detail in the section of this Base Prospectus entitled “*Description of the Company and the Compartment*”.

#### *Status of Notes*

Notes are secured, limited recourse obligations of the Issuer. This means that the Secured Creditors (which include the Noteholders and each of the Trustee and various agents involved in the issue of Notes) only have the right to claim against specific assets of the Issuer that relate to the Notes of a Series (being referred to in this Base Prospectus as the Mortgaged Property).

#### *Classes*

Each Series of Notes may comprise one or more classes (each, a “**Class**”). Each Class of Notes of a Series will be specified in the applicable Final Terms.

Each Class of Notes of a Series ranks *pari passu* without any preference among themselves. Furthermore, each Class of Notes of a Series ranks *pari passu* with each other Class of such Series without any preference among the Classes.

Each Class of Notes of a Series is linked to the same type of Original Collateral as any other Class of Notes of that Series, but differs in its fund-linked, equity-linked, equity index-linked or certificate-linked exposure and the application of a Redemption Percentage (as applicable). On the Additional Payout Amount Payment Date specified in the Final Terms, a Noteholder may be entitled to an amount which is derived from (a) the Fund Swap Transaction relating to a Fund-Linked Class of Notes referencing Catella Fondförvaltning AB Special Funds, Catella Hedgefond, SEK retail class (ISIN: SE0001131335; Bloomberg: CATHEDG SS) (the “**Fund**”), (b) the Equity Swap Transaction relating to an Equity-Linked Class of Notes referencing a basket comprising a single share or multiple shares (the “**Class Equity Basket**” in respect of such Class) or an Equity Index-Linked Class of Notes referencing a basket comprising a single equity index or multiple equity indices (the “**Class Equity Index Basket**” in respect of such Class) (as applicable) or (c) the Class Equity Original Collateral relating to a Certificate-Linked Class of Notes, as described in more detail below and elsewhere in this Base Prospectus. Such additional fund-linked, equity-linked, equity index-linked or certificate-linked amount (if any) receivable by a Noteholder of a Class of a Series may differ from the corresponding amount receivable by a Noteholder of a different Class of such Series.

### *Aggregate Nominal Amount of the Series*

In respect of a Series of Notes, the Initial Aggregate Nominal Amount of such Series on the relevant Issue Date will be specified in the applicable Final Terms.

The precise Initial Class Aggregate Nominal Amount of each Class of Notes to be issued will be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) and filed with the Central Bank of Ireland in accordance with Article 8 of the Prospectus Directive, in each case, on or around the relevant Issue Date of such Series of Notes.

### *Interest on Notes*

A Class of Notes may bear interest on the basis as specified in the applicable Final Terms. The amount of interest payable in respect of any Note will be determined by the Calculation Agent on the basis of its outstanding nominal amount as at the last day of the relevant Interest Accrual Period, the applicable Redemption Percentage and, if the Ongoing Fee Arrangement is applicable, the applicable Fee Calculation Factor.

### *Maturity*

Unless (a) Redemption by Instalments is specified to be applicable and/or (b) the Additional Payout Amount Payment Date is specified as a date prior to the scheduled maturity date in the applicable Final Terms, no principal amounts are scheduled to be payable to Noteholders under any Class of Notes of such Series until their scheduled maturity date (in respect of a Class, the “**Maturity Date**”), as specified in the applicable Final Terms, in each case subject to any postponement in the settlement of the Fund Swap Transaction, the Equity Swap Transaction or the Class Equity Original Collateral (as applicable) relating to the relevant Class in accordance with its terms. The Maturity Date of any Class of Notes of a Series may be further postponed if the Calculation Agent determines that facts exist which may (assuming the expiration of any applicable grace period) amount to a Collateral Event in respect of a Collateral Component, as described in more detail below.

### *Redemption by Instalments*

If Redemption by Instalments is specified as applicable in the applicable Final Terms, each Note will be partially redeemed by the payment of an Instalment Amount on the relevant Instalment Date. Each scheduled Instalment Date (subject to the applicable Business Day Convention) will be specified in the applicable Final Terms, and the corresponding Instalment Amount will be, in respect of each Note, equal to the *product of* (a) the Specified Denomination *multiplied by* the applicable Redemption Percentage, (b) the sum of the Weighting of each Collateral Component which is not an Affected Collateral Component on the Instalment Date and (c) the relevant percentage (each, an “**Instalment Percentage**”) specified in the applicable Final Terms.

### **Overview of the Swap Agreement and the Class Equity Original Collateral**

The payments which a Noteholder of a Class of Notes of a Series is entitled to receive will depend on (among other things) (a) the occurrence of any Collateral Event in respect of any Collateral Component and (b) the performance of or return on (i) the Fund referenced by the relevant Fund Swap Transaction (in the case of a Fund-Linked Class of Notes), (ii) the Class Equity Basket referenced by the relevant Equity Swap Transaction (in the case of an Equity-Linked Class of Notes), (iii) the Class Equity Index Basket referenced by the relevant Equity Swap Transaction (in the case of an Equity Index-Linked Class of Notes) or (iv) the Class Equity Original Collateral referencing the Fund Basket (in the case of a Certificate-Linked Class of Notes); and as illustrated by the diagram at the end of this Transaction Description.

On the Issue Date of a Series, the Issuer will enter into the Swap Agreement in respect of the Notes of such Series with Credit Suisse International in its capacity as Swap Counterparty, under which the Issuer and the Swap Counterparty will enter into a separate Asset Swap Transaction relating to each Class of Notes of such Series, and may enter into a Fund Swap Transaction relating to a Fund-Linked Class of Notes and an Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes (as applicable).

In the absence of an Early Redemption Event, the return on each Class of Notes of a Series will reflect the amount receivable by the Issuer under the related Asset Swap Transaction and the related Fund Swap

Transaction, Equity Swap Transaction or Class Equity Original Collateral (as applicable). Any amount receivable by the Issuer under the Fund Swap Transaction is subject to a participation percentage and references the Fund. Any amount receivable by the Issuer under the Equity Swap Transaction is subject to a participation percentage and references the Class Equity Basket or the Class Equity Index Basket (as applicable). Any return on the Class Equity Original Collateral is subject to a participation percentage and references the Fund Basket. Therefore, the relative return on each Class of Notes of a Series may differ and will be dependent on the relative performance of or return on the Fund, the Class Equity Basket, the Class Equity Index Basket or the Class Equity Original Collateral (which will in turn depend on the relative performance of the Fund Basket relating thereto) (as applicable) and the level of such participation for that Class, as described further below.

## **Overview of the Original Collateral and impact of Collateral Events on Notes**

### *Overview*

Each Class of Notes of a Series is secured on, among other things, the relevant Original Collateral. The Original Collateral relating to a Class will be of the same type, and with the same weightings, as the Original Collateral relating to another Class of the same Series. The Original Collateral will be credited to the Securities Account (as defined in the Agency Agreement) maintained by the Custodian in respect of such Series on a pooled basis.

### *Original Collateral Obligors and Collateral Components*

The Original Collateral in respect of each Class of Notes of a Series will comprise one or more bonds (or other debt instruments) issued by a corporate or sovereign and listed on a regulated or equivalent market (for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments), the Hong Kong Stock Exchange, the New York Stock Exchange and/or the Tokyo Stock Exchange (each a “**Collateral Component**”), determined by reference to the EUR, USD, GBP or CHF (or any other applicable currency) equivalent of the portion of the net issue proceeds of each Class allocated to the relevant Collateral Component (as applicable), or such other bonds (or other debt instruments) issued by (i) any such issuer of a Collateral Component or (ii) any entity controlled, directly or indirectly, by any such issuer, any entity that controls, directly or indirectly, such issuer or any entity directly or indirectly under common control with any such issuer (any such entity, an “**Affiliate**” of such issuer) as may be determined by the Dealer as at the Collateral Event Observation Start Date specified in the applicable Final Terms (any such alternative bond, an “**Alternative Collateral Component**” which shall be treated as a Collateral Component and, together with any other Collateral Component, the “**Original Collateral**”).

For the purposes of the above, “**control**” means ownership of a majority of the voting power of the entity or person.

The Dealer shall make decisions with respect to determining any Alternative Collateral Component in a commercially reasonable manner. While such determination shall be made solely by the Dealer, it shall consult with the Noteholder Facilitator when making such determination.

The issuers of the Collateral Components will be specified in the applicable Final Terms. The Collateral Components and Original Collateral Obligors shall be notified to the Noteholders on or about the Issue Date.

### *Collateral Events*

The occurrence of any of the following Collateral Events in respect of the Collateral Components comprising the Original Collateral during the term of the Notes may affect such Notes:

- (a) an Original Collateral Call, meaning notice is given that any Collateral Component is called for redemption or repayment or prepayment (whether in whole or in part) prior to its scheduled maturity date;
- (b) an Original Collateral Default, meaning any Collateral Component becomes payable or repayable or becomes capable of being declared due and payable prior to its stated maturity for whatever reason, otherwise than in accordance with their scheduled repayment profile or as a result of the exercise of an issuer option or a holder option unless such option arises as a result of an event of default, a tax event or other similar event;

- (c) an Original Collateral Payment Failure, meaning the failure by the relevant Original Collateral Obligor to make a scheduled payment in respect of a Collateral Component on the date, in the place and in the currency such payment was originally scheduled to be made (disregarding any terms allowing for non-payment, deferral or adjustments to any scheduled payments and any notice or grace period in respect thereof) in respect of such Collateral Component; or
- (d) an Original Collateral Conversion, meaning the conversion of a Collateral Component into any other financial instrument upon the exercise by the relevant Original Collateral Obligor of any option or other right to convert the Collateral Component under the terms and conditions of the Collateral Component.

The applicable Collateral Events will be specified in the applicable Final Terms.

*Consequence of Collateral Events, including redemption of Notes*

In respect of a Series, if the Calculation Agent determines that a Collateral Event has occurred with respect to any relevant Collateral Component (such Collateral Component, an “**Affected Collateral Component**” and the date of such determination being the “**Collateral Event Determination Date**”), then:

- (a) as soon as reasonably practicable, and in any event within the Early Redemption Notification Period commencing on (and including) the Collateral Event Determination Date, the Issuer (or the Issuing and Paying Agent on its behalf, having been instructed by the Issuer or the Calculation Agent) will give an Early Redemption Notice (which shall relate solely to the portion of the Notes of the Series being partially redeemed) to the Noteholders of the determination of the Collateral Event (the date of such notice to the Noteholders being the “**Early Redemption Commencement Date**”), including a description in reasonable detail of the facts relevant to such determination, by forwarding with such Early Redemption Notice a copy of the notice delivered by the Calculation Agent with respect to the Collateral Event Determination Date or the information provided therein;
- (b) on a date (the “**Collateral Event Valuation Date**”) falling as soon as reasonably practicable within 5 Business Days of the Early Redemption Commencement Date, the Calculation Agent shall, in respect of each Class of Notes of the Series, determine the Partial Class Asset Swap Value in respect of the Affected Collateral Component and shall seek quotations from 5 dealers in the market for the Affected Collateral Component;
- (c) the Affected Collateral Component shall be liquidated on the Collateral Event Valuation Date by selling to the Quotation Dealer who provides the highest quotation;
- (d) each Note of the Series will be partially redeemed on the Early Redemption Date by payment to each Noteholder of its Collateral Event Early Cash Redemption Amount (which may be zero), irrespective of whether the relevant Collateral Event is continuing, and the payment of such amount shall satisfy the Issuer’s obligations in respect of such *pro rata* proportion of each relevant Note, provided that where the Outstanding Principal Amount of a relevant Class of Notes would otherwise be reduced to zero prior to the relevant Additional Payout Amount Payment Date as a result of the occurrence of a Collateral Event, SEK 1 of each Note of such Class of Notes shall remain outstanding so as to enable any Additional Payout Amount to be payable to the Noteholders of such Class on such Additional Payout Amount Payment Date; and
- (e) the outstanding nominal amount of each Note of a Class of the Series shall be:
  - (i) if Redemption by Instalments is specified as not applicable in the applicable Final Terms, reduced by an amount equal to the *product of* (X) the Weighting of the Affected Collateral Component, and (Y) the Specified Denomination of such Note; and
  - (ii) if Redemption by Instalments is specified as applicable in the applicable Final Terms, reduced to an amount equal to the *product of* (X) 100% minus the aggregate Weighting of all Affected Collateral Components for which the relevant Collateral Event Early Cash Redemption Amount has been paid, (Y) 100% minus the aggregate Instalment Percentages in respect of all Instalment Dates for which the relevant Instalment Amount has been paid and (Z) the Specified Denomination of such Note; and

in each case, for all purposes with effect from the relevant Early Redemption Date, unless payment of the relevant Collateral Event Early Cash Redemption Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Collateral Event Early Cash Redemption Amount.

The Collateral Event Early Cash Redemption Amount means, in respect of each Note of each Class of a Series, an amount determined by the Calculation Agent equal to its *pro rata* share of (i) the proceeds of the liquidation of the Affected Collateral Component attributable to such Class of Notes *plus* (ii) the Partial Class Asset Swap Gain (if any) *minus* (iii) the Partial Class Asset Swap Loss (if any) and such amount will, in respect of each relevant Class of Notes, take into account the Redemption Percentage specified in the applicable Final Terms. It is likely that application of the Redemption Percentage specified in the applicable Final Terms in respect of each relevant Class of Notes would increase the Partial Class Asset Swap Loss (if any) and decrease the Partial Class Asset Swap Gain (if any), resulting in a lower Collateral Event Early Cash Redemption Amount than if no Redemption Percentage was applied.

#### *Consequence of Suspension Periods*

The payment obligations of the Issuer under each Class of Notes of a Series will be partially suspended if the Calculation Agent determines that facts exist which may amount to a Collateral Event following the expiration of any applicable grace period. Such suspension shall relate to a proportion of each Note of the Series corresponding to such Note's *pro rata* share of the notional amount of the Affected Collateral Component to which such suspension relates. During the relevant Suspension Period, (i) the Issuer shall make no payments on account of principal under any Notes with respect to the relevant portion; and (ii) neither the Issuer nor the Swap Counterparty shall make any payments under the Swap Agreement with respect to the relevant portion.

If, in respect of a Series, a Collateral Event (i) occurs during the relevant Suspension Period (which will be a period of ten Reference Business Days) then no further payments will be made under each Class of Notes of the Series in respect of principal and the relevant Notes will be redeemed at the Early Cash Redemption Amount in respect of the proportion of each relevant Note corresponding to such Note's *pro rata* share of the notional amount of the Affected Collateral Component) or (ii) has not occurred on the last day of the relevant Suspension Period, any principal amount which would otherwise have been payable will be payable on the second Business Day following the earlier of (i) last day of such Suspension Period or (ii) the date on which the Calculation Agent determines that the events which may have resulted in the Collateral Event have been remedied or no longer exist.

Noteholders will not be entitled to receive any further payments as a result of such suspension and the corresponding delay in payment of any principal amount.

#### *Worked example of a Collateral Event*

The following sets out examples of the impact of a Collateral Event in respect of a Collateral Component on a Class of Notes of a Series and the related Asset Swap Transaction. The figures and events used for the purposes of the examples are indicative only and are not intended as a guide as to the actual or expected performance of any Class of Notes of a Series. The performance of any Class of Notes may be better or worse than set out in the following examples.

#### Example 1:

This example assumes the following:

- (a) the Class of Notes of a Series references a Collateral Component which has a Weighting of 100%;
- (b) the Collateral Component Amount relating to the Affected Collateral Component is SEK 1,000,000;
- (c) the Initial Class Aggregate Nominal Amount of the relevant Class of Notes (and the notional amount in respect of the related Asset Swap Transaction) is SEK 1,000,000;
- (d) no Swap Counterparty Equity Final Exchange Amount or Class Equity Original Collateral Redemption Amount is payable under the Fund Swap Transaction, Equity Swap Transaction or Class Equity Original Collateral (as applicable) relating to the relevant Class of Notes; and

- (e) no Early Redemption Event (including any Event of Default) has occurred in respect of the Notes and all transaction parties comply with their obligations relating to the Notes.

Based on these assumptions:

If a Collateral Event occurs in respect of the Collateral Component prior to the Maturity Date, the Issuer gives an irrevocable notice of early redemption and the liquidation proceeds relating to the Affected Collateral Component (which is the sole Collateral Component) are SEK 250,000, and an amount equal to the Partial Asset Swap Loss of SEK 50,000 is payable to the Swap Counterparty by the Issuer and there is no Partial Asset Swap Gain then:

- (a) the Issuer will pay a holder of a Note of such Class having a nominal amount of SEK 10,000 a Collateral Event Early Cash Redemption Amount equal to SEK 2,000, being its *pro rata* share of (i) SEK 250,000 (being the proceeds of the liquidation) *minus* (ii) SEK 50,000 (being an amount equal to the Partial Asset Swap Loss payable to the Swap Counterparty by the Issuer under the related Asset Swap Transaction); and
- (b) the outstanding nominal amount of a Note of such Class having a nominal amount of SEK 10,000 shall be reduced to SEK 1 (such SEK 1 remaining outstanding until the Additional Payout Amount Payment Date solely for the purposes of keeping the Notes outstanding in the event that any Additional Payout Amount is payable).

No further amount will be payable in respect of a Note having an initial nominal amount of SEK 10,000 on the Maturity Date, representing a loss of SEK 8,000.

Example 2:

The example assumes the following:

- (a) the Class of Notes of a Series references three Collateral Components, each equally weighted;
- (b) the Class Collateral Component Amount relating to the Affected Collateral Component is SEK 333,333;
- (c) the Initial Class Aggregate Nominal Amount of the relevant Class of Notes (and the notional amount in respect of the related Asset Swap Transaction) is SEK 1,000,000;
- (d) no Swap Counterparty Equity Final Exchange Amount or Class Equity Original Collateral Redemption Amount is payable under the Fund Swap Transaction, Equity Swap Transaction or Class Equity Original Collateral (as applicable) relating to the relevant Class of Notes;
- (e) no Early Redemption Event (including any Event of Default) has occurred in respect of the relevant Class of Notes and all transaction parties comply with their obligations relating to the relevant Class of Notes;
- (f) a Redemption Percentage of 90%; and
- (g) Redemption by Instalments is not applicable.

Based on these assumptions:

If a Collateral Event occurs in respect of a Collateral Component prior to the Maturity Date, the Issuer gives an irrevocable notice of early redemption and the liquidation proceeds relating to the Affected Collateral Component in respect of the relevant Class are SEK 250,000, and an amount equal to the Partial Class Asset Swap Loss of SEK 50,000 is payable to the Swap Counterparty by the Issuer and there is no Partial Class Asset Swap Gain then:

- (a) the Issuer will pay a holder of a Note of such Class having a nominal amount of SEK 10,000 a Collateral Event Early Cash Redemption Amount equal to SEK 2,000, being its *pro rata* share of (i) SEK 250,000 (being the proceeds of the liquidation) *minus* (ii) SEK 50,000 (being an amount equal to the Partial Class Asset Swap Loss payable to the Swap Counterparty by the Issuer under the related Asset Swap Transaction); and
- (b) the outstanding nominal amount of a Note of such Class having a nominal amount of SEK 10,000 shall be reduced by SEK 3,333, being equal to its *pro rata* share of the product of (i) 1/3 (being the

Weighting of the Affected Collateral Component) and (ii) SEK 1,000,000 (being the Initial Class Aggregate Nominal Amount).

Provided that no further Collateral Event occurs, a Note of a Class of Notes of a Series having an initial nominal amount of SEK 10,000 shall be redeemed on the relevant Maturity Date by a further payment by the Issuer (before adjustment for the Fee Calculation Factor) of approximately SEK 6,000 (being 90% of the outstanding nominal amount of such Note), representing a loss of SEK 2,000.

Example 3:

This example assumes the following:

- (a) the Class of Notes references two Collateral Components, each equally weighted;
- (b) the Collateral Component Amount relating to the Affected Collateral Component is SEK 500,000;
- (c) the Initial Class Aggregate Nominal Amount of the relevant Class of Notes (and the notional amount in respect of the related Asset Swap Transaction) is SEK 1,000,000;
- (d) no Swap Counterparty Equity Final Exchange Amount or Class Equity Original Collateral Redemption Amount is payable under the Fund Swap Transaction, Equity Swap Transaction or Class Equity Original Collateral (as applicable) relating to the Notes;
- (e) no Early Redemption Event (including any Event of Default) has occurred in respect of the Notes and all transaction parties comply with their obligations relating to the Notes; and
- (f) Redemption by Instalments is applicable.

Based on these assumptions:

If a Collateral Event occurs in respect of a Collateral Component prior to the Initial Instalment Date, the Issuer gives an irrevocable notice of early redemption and the liquidation proceeds relating to the Affected Collateral Component are SEK 250,000, and an amount equal to the Partial Asset Swap Loss of SEK 50,000 is payable to the Swap Counterparty by the Issuer and there is no Partial Asset Swap Gain then:

- (a) the Issuer will pay a holder of a Note of such Class having a nominal amount of SEK 10,000 a Collateral Event Early Cash Redemption Amount equal to SEK 2,000, being its *pro rata* share of (i) SEK 250,000 (being the proceeds of the liquidation) *minus* (ii) SEK 50,000 (being an amount equal to the Partial Asset Swap Loss payable to the Swap Counterparty by the Issuer under the related Asset Swap Transaction); and
- (b) the outstanding nominal amount of a Note of such Class having a nominal amount of SEK 10,000 shall be reduced to SEK 5,000, being equal to its *pro rata* share of the product of (i) 50% (being the Weighting of the Affected Collateral Component), (ii) 100% (as no Instalment Date has occurred) and (iii) SEK 1,000,000 (being the Initial Class Aggregate Nominal Amount).

Provided that no further Collateral Event occurs, a Note having an initial nominal amount of SEK 10,000 shall be redeemed on the Maturity Date by relevant instalments in an aggregate amount equal to SEK 5,000, representing a loss of SEK 3,000.

**Impact of the Asset Swap Transactions on Notes**

Under the Asset Swap Transactions in respect of a Series, provided that no Early Redemption Event resulting in redemption of such Series in full has occurred (subject to the existence of any Potential Collateral Event):

- (a) the Issuer agrees to pay to the Swap Counterparty the amount in respect of interest and/or principal scheduled to be paid, as at the Collateral Event Observation Start Date specified in the applicable Final Terms in respect of each Collateral Component, on the Reference Business Day immediately following the day on which such payments are due to be paid in respect of the relevant Collateral Component (save that where the redemption date of any Collateral Component falls after the Maturity Date of the Notes of the Series, the Issuer shall deliver such Collateral Component to the Swap Counterparty rather than making a payment to the Swap Counterparty); and
- (b) the Swap Counterparty agrees to pay to the Issuer, in respect of each Class of Notes of the Series:

- (i) if Redemption by Instalments is not applicable, on the Reference Business Day immediately prior to the Maturity Date, an amount equal to the *product of* (x) the applicable Redemption Percentage, (y) the then Outstanding Principal Amount of such relevant Class of Notes and, if the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, (z) the Fee Calculation Factor;
- (ii) if Redemption by Instalments is applicable, the corresponding aggregate Instalment Amounts of the Notes on the Reference Business Day immediately prior to each Instalment Date; and
- (iii) if the relevant Class of Notes bear interest, on the Reference Business Day falling immediately prior to each scheduled Interest Payment Date or Specified Interest Payment Date (as applicable) in relation to such Class, an amount equal to the relevant interest amounts.

Following the occurrence of a Collateral Event, the Swap Counterparty will pay to the Issuer, in respect of each Class of Notes of the Series, an amount equal to any Partial Class Asset Swap Gain on the Reference Business Day immediately prior to the relevant Early Redemption Date.

In respect of each Class of Notes of a Series, any amounts to be paid to the Issuer by the Swap Counterparty under the Asset Swap Transaction relating to such Class of Notes will take into account the application of the applicable Redemption Percentage specified in the applicable Final Terms. Such amounts are to be applied by the Issuer to fund corresponding amounts payable on such relevant Class of Notes. Accordingly, if the Redemption Percentage is lower than 100%, the interest and/or principal amounts payable in respect of the Notes of a Series will be lower than the amount which would be payable if such Redemption Percentage had not been applied.

### **Impact of the Fund Swap Transaction on a Fund-Linked Class of Notes**

#### *Overview*

In respect of each Note of a Fund-Linked Class, an Additional Payout Amount, which is expected to be funded by the Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer under the Fund Swap Transaction relating to such Class referencing a hypothetical portfolio consisting of variable exposure to the Fund's excess return performance over the prevailing three month STIBOR interest rate (the "**Fund Excess Return**"), may be payable on the relevant Additional Payout Amount Payment Date (if such date is specified in the Final Terms as the Maturity Date, as part of the redemption amount due in respect of such Note on the Maturity Date). The portfolio automatically adjusts its allocation to the Fund Excess Return based on the realised volatility of the Fund. The Fund Swap Transaction will be evidenced by a confirmation.

In respect of a Fund-Linked Class of Notes, the performance of the reference portfolio, together with the participation percentage applicable to the Fund Swap Transaction (the "**Participation**"), will determine the Additional Payout Amount (if any) payable in respect of such Class on the Additional Payout Amount Payment Date. The Participation in respect of a Fund-Linked Class of Notes is to be determined by the Issuer, or the Calculation Agent on its behalf, and notified to the Noteholders on or about the Issue Date. The indicative Participation in respect of a Fund-Linked Class of Notes will be specified in the applicable Final Terms.

#### *Volatility adjustment*

A volatility-linked formula is applied to determine the exposure to the Fund by adjusting the weighting applied to the Fund Excess Return on a daily basis.

As of the date specified as the "**Reference Portfolio Value Start Date**" in the applicable Final Terms, being the first date on which the relevant values are calculated for the purpose of the Fund Swap Transaction, the weighting applied to the Fund Excess Return is 100%. Thereafter, a weighting with respect to the Fund Excess Return is determined on a daily basis. The mechanism for determining this weighting is formula based and aims to limit volatility to 4.5% (or such other percentage as specified in the confirmation of the Fund Swap Transaction) by reducing the weighting applied to the Fund Excess Return when the historical volatility of the Fund is higher than such percentage. In this way, the weighting applied to the Fund Excess Return may vary between 0% and 100%.

*Formula for calculating the Swap Counterparty Equity Final Exchange Amount and the Additional Payout Amount in respect of a Fund-Linked Class of Notes*

The Additional Payout Amounts (if any) payable in respect of a Fund-Linked Class of Notes are expected to be funded by the corresponding Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer on the Reference Business Day immediately preceding the Additional Payout Amount Payment Date (the “**Swap Counterparty Equity Final Exchange Date**”). Any such Swap Counterparty Equity Final Exchange Amount will be determined by the Calculation Agent by reference to a formula.

For the purpose of determining any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Fund Swap Transaction, the Calculation Agent will apply the formula to, in summary:

- (a) determine (expressed as a percentage) (i) the arithmetic average of the Reference Portfolio Values (being based on a formula that takes into account the applicable weighting *multiplied by* the Fund Excess Return) on the Observation Dates *divided by* (ii) the Reference Portfolio Value on the Strike Date;
- (b) deduct 100% from the percentage calculated pursuant to subparagraph (a) above, generating a percentage (which may be positive or negative) indicating the performance of the reference portfolio (in accordance with the algorithm) over the life of such Fund Swap Transaction (the “**Reference Portfolio Return**”); and
- (c) if such Reference Portfolio Return is positive, determine the Swap Counterparty Equity Final Exchange Amount by *multiplying* the Reference Portfolio Return by the *product of* (i) the Swap Notional Amount (being equal to the Initial Class Aggregate Nominal Amount of a Fund-Linked Class of Notes (as adjusted for repurchases and cancellations) on the Issue Date *multiplied by*, if applicable, the applicable Fee Calculation Factor) and (ii) the Participation, and then deduct the Performance Fee (if any) from the resulting amount.

Accordingly, a holder of a Fund-Linked Note having a nominal amount of SEK 10,000 as at the Additional Payout Amount Payment Date will receive its *pro rata* share of the amount calculated in accordance with the formula described above. More detailed information on the formula (and each component thereof) can be found in the section of this Base Prospectus entitled “*Description of the Fund Swap Transactions*”.

As described in more detail under “*Impact of Payments of Commissions to the Distributor on the Notes if Ongoing Fee Arrangements is Applicable*” below in this Transaction Description, if the Ongoing Fee Arrangement is specified as applicable in the Final Terms in respect of the Notes, the Fee Calculation Factor is a variable percentage which will be 100% on the applicable Issue Date and will decrease to the applicable final Fee Calculation Factor on the Maturity Date of such Notes. Accordingly, any Additional Payout Amount payable in respect of a Class of Notes of a Series on the Additional Payout Amount Payment Date will be lower than the amount which would be payable if such Fee Calculation had not been applied. A Performance Fee will only be payable in respect of such Class of Notes of a Series (and deducted from the Swap Counterparty Equity Final Exchange Amount) if the result of paragraph (c) above in respect of each relevant Class of Notes (prior to the deduction of such Performance Fee in the calculation) exceeds an amount equal to the *product of* (a) the difference between 100% and the applicable Fee Calculation Factor on the Additional Payout Amount Payment Date and (b) the Initial Class Aggregate Nominal Amount of such Class (such amount, the “**Performance Fee Threshold Amount**”). In such cases, 10% of such amount which is in excess of the Performance Fee Threshold Amount will constitute the Performance Fee in respect of each such Class. The resultant amounts from the applications of the Fee Calculation Factor and the deduction of any Performance Fee will effectively constitute part of commissions payable to the Distributor.

*Fund Events*

Prospective investors in a Fund-Linked Class of Notes must note that certain adjustments may be made to the terms of the Fund Swap Transaction as a result of the occurrence of certain events, including Fund Adjustment Events, Disruption Events, Fund Substitution Events and Fund Defeasance Events, as described below.

Certain risks arising as a result of such Fund Events are outlined in the section of this Base Prospectus entitled “*Risk Factors*”. More detailed information on the Fund Events referred to above and the resultant

adjustments can be found in the section of this Base Prospectus entitled “*Description of the Fund Swap Transactions*”.

#### *Payment of Additional Payout Amount in respect of a Fund-Linked Class of Notes*

If a Fund-Linked Class of Notes remains outstanding until the Additional Payout Amount Payment Date and a Swap Counterparty Equity Final Exchange Amount is receivable by the Issuer under the Fund Swap Transaction, a holder of a Note of such Class of a Series can expect to receive an Additional Payout Amount equal to its *pro rata* share of such Swap Counterparty Equity Final Exchange Amount.

#### *Worked examples of the determination of an Additional Payout Amount in respect of a Fund-Linked Class of Notes*

The figures and events used for the purposes of these examples are indicative only and are not intended as a guide as to the actual or expected performance of any Series or Class of Notes, which may be better or worse than the performance set out in the following examples.

The examples all assume the following in respect of a Series:

- (a) the Swap Notional Amount of the Fund Swap Transaction of the Class is SEK 1,000,000;
- (b) a Participation of 200%;
- (c) the Reference Portfolio Value is 100% at inception as of the Strike Date; and
- (d) the Ordinary Fee Arrangement is applicable.

#### Example 1:

This example assumes that the Reference Portfolio Value (Average) is 105%. In this example, on the Additional Payout Amount Payment Date, the Swap Counterparty Equity Final Exchange Amount will be equal to SEK 100,000, being the *product of* (i) the Swap Notional Amount of SEK 1,000,000, (ii) the Participation of 200%, and (iii) the Reference Portfolio Return of 5%.

Accordingly, based on this example, a holder of a Note of such Class having a nominal amount of SEK 10,000 will receive an Additional Payout Amount on the Additional Payout Amount Payment Date equal to the sum of SEK 1,000 (being a *pro rata* share per Note of the Swap Counterparty Equity Final Exchange Amount).

#### Example 2:

This example assumes that the Reference Portfolio Value (Average) is 70%. In this example, on the Additional Payout Amount Payment Date, the Swap Counterparty Equity Final Exchange Amount will be equal to zero, being floored at zero.

Accordingly, based on this example, a holder of a Note of such Class having a nominal amount of SEK 10,000 will not receive any Additional Payout Amount.

### **Impact of the Equity Swap Transaction on an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes**

#### *Overview*

In respect of each Note of an Equity-Linked Class or an Equity Index-Linked Class, an Additional Payout Amount, which is expected to be funded by the Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer under the Equity Swap Transaction relating to such Class and referencing the Class Equity Basket or the Class Equity Index Basket (as applicable), may be payable on the relevant Additional Payout Amount Payment Date (if such date is specified in the Final Terms as the Maturity Date, as part of the redemption amount due in respect of such Note on the Maturity Date). The Class Equity Basket may reference a basket comprising a single share or multiple shares and the Class Equity Index Basket may reference a basket comprising a single equity index or multiple equity indices. The Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes will be evidenced by a confirmation incorporating by reference the 2002 Equity Derivatives Definitions published by ISDA (the “**Equity Derivatives Definitions**”).

In respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, the performance of the Class Equity Basket or the Class Equity Index Basket (as applicable), together with the participation percentage applicable to the Equity Swap Transaction relating to such Class (the “**Participation**”) and the USD/SEK, EUR/SEK and/or GBP/SEK foreign exchange rates (as applicable), will determine the Additional Payout Amount (if any) payable in respect of such Class on the Additional Payout Amount Payment Date. The Participation in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes is to be determined by the Issuer, or the Calculation Agent on its behalf, and notified to the Noteholders on or about the Issue Date, and will be specified in the applicable Final Terms.

*The Class Equity Basket and the Class Equity Index Basket*

In respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, the composition of the relevant Class Equity Basket or Class Equity Index Basket, as applicable, on the Issue Date of such Class will be specified in the applicable Final Terms. The share or shares referenced in the Class Equity Basket and the equity index or indices referenced in the Class Equity Index Basket (as applicable) may be subject to adjustment in accordance with the terms of the corresponding Equity Swap Transaction.

Information (including information as to their past and future performance and volatility) about (i) the share or shares included in the Class Equity Basket and (ii) equity index or indices included in the Class Equity Index Basket may be obtained on Bloomberg.

*Formula for calculating the Swap Counterparty Equity Final Exchange Amount and the Additional Payout Amount in respect of an Equity-Linked Class of Notes and an Equity Index-Linked Class of Notes*

The Additional Payout Amounts (if any) payable in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes are expected to be funded by the corresponding Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer on the Reference Business Day immediately preceding the Additional Payout Amount Payment Date (the “**Swap Counterparty Equity Final Exchange Date**”) under the Equity Swap Transaction relating to such Class. Any such Swap Counterparty Equity Final Exchange Amount will be determined by the Calculation Agent by reference to a formula.

For the purpose of determining any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction relating to an Equity-Linked Class of Notes where Method 1 is specified as the Equity Final Exchange Amount Calculation Method in respect of such Class, the Calculation Agent will apply the formula to, in summary:

- (a) determine, in respect of each share referenced in the Class Equity Basket, expressed as a percentage (i) the arithmetic average of the official closing levels of such share on the Averaging Dates specified in the applicable Final Terms *divided by* (ii) either (a) the official closing level of such share on the Initial Setting Date (where a single Initial Setting Date is specified in the applicable Final Terms) or (b) the lowest official closing level of such share on the Initial Setting Dates (where multiple Initial Setting Dates are specified in the applicable Final Terms), in respect of the Equity Swap Transaction specified in such applicable Final Terms (each, an “**Average Share Return**”);
- (b) deduct, in respect of each such share, 100% from the Average Share Return for that share, generating a percentage (which may be positive or negative) indicating the performance of such share (by reference to the closing levels thereof on the Averaging Dates and not any other dates) over the life of the Equity Swap Transaction (each, a “**Relative Share Return**”);
- (c) determine, by reference to the Relative Share Returns of all the shares referenced in the Class Equity Basket (such performance determined as summarised in paragraphs (a) and (b) above in respect of each share), the arithmetic average performance of all the shares referenced in the Class Equity Basket, generating, in effect, the average relative return of the relevant basket of share(s) (the “**Share Return**”); and
- (d) if such Share Return is positive, determine the Swap Counterparty Equity Final Exchange Amount by *multiplying* the Share Return by the *product of* (i) the Swap Notional Amount (being equal to the Initial Class Aggregate Nominal Amount of an Equity-Linked Class of Notes (as adjusted for repurchases and cancellations) on the Issue Date *multiplied by*, if applicable, the applicable Fee Calculation Factor), (ii) the Participation and (iii) the FX Factor (as set out in the terms of the Equity

Swap Transaction if applicable), and then deduct any Performance Fee (if the Ongoing Fee Arrangement is applicable) from the resulting amount.

For the purpose of determining any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction relating to an Equity-Linked Class of Notes where Method 2 is specified as the Equity Final Exchange Amount Calculation Method in respect of such Equity-Linked Class of Notes, the Calculation Agent will apply the formula to, in summary:

- (a) determine, in respect of each share referenced in the Class Equity Basket, expressed as a percentage (i) the arithmetic average of the official closing levels of such share on the Averaging Dates specified in the applicable Final Terms *divided by* (ii) either (a) the official closing level of such share on the Initial Setting Date (where a single Initial Setting Date is specified in the applicable Final Terms) or (b) the lowest official closing level of such share on the Initial Setting Dates (where multiple Initial Setting Dates are specified in the applicable Final Terms), in respect of the Equity Swap Transaction specified in such applicable Final Terms (each an “**Average Share Return**”);
- (b) identify the Best Performing Shares within the Class Equity Basket and assume that each of the Best Performing Shares has an Average Share Return equal to the sum of, expressed as a percentage, (i) 100% *plus* (ii) the Replacement Level specified in the applicable Final Terms (the “**Replacement Average Share Return**”), irrespective of their actual performance determined in accordance with paragraph (a) above (which may be higher or lower);
- (c) deduct, in respect of each share within the Class Equity Basket, 100% from the Average Share Return for that share (presumed to be equal to the Replacement Average Share Return in respect of each of the Best Performing Shares as described in paragraph (b) above), generating a percentage (which may be positive or negative) indicating the performance of such share (by reference to the closing levels thereof on the Averaging Dates and not any other dates) over the life of the Equity Swap Transaction (each, a “**Relative Share Return**”). In respect of each of the Best Performing Shares, its Relative Share Return will be presumed to be equal to the Replacement Level;
- (d) determine, by reference to the Relative Share Returns of all the shares referenced in the Class Equity Basket (such performance determined as summarised in paragraphs (a), (b) and (c) above in respect of each share), the arithmetic average performance of all the shares referenced in the Class Equity Basket, generating, in effect, the average relative return of the relevant basket of shares (the “**Share Return**”); and
- (e) if such Share Return is positive, determine the Swap Counterparty Equity Final Exchange Amount by *multiplying* the Share Return by the product of (i) the Swap Notional Amount (being equal to the Initial Class Aggregate Nominal Amount of an Equity-Linked Class of Notes (as adjusted for repurchases and cancellations) on the Issue Date, *multiplied by*, if applicable, the applicable Fee Calculation Factor), (ii) the Participation and (iii) the FX Factor (as set out in the terms of such Equity Swap Transaction if applicable), and then deduct the Performance Fee (if the Ongoing Fee Arrangement is applicable) from the resulting amount.

For the purpose of determining any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction relating to an Equity Index-Linked Class of Notes, the Calculation Agent will apply the formula to, in summary:

- (a) determine, in respect of each index referenced in the Class Equity Index Basket, expressed as a percentage (i) the arithmetic average of the official closing levels of such index on the Averaging Dates specified in the relevant applicable Final Terms in respect of the Class Equity Index Basket *divided by* (ii) either (x) the official closing level of such index on the Initial Setting Date (where a single Initial Setting Date is specified in the applicable Final Terms) or (b) the lowest official closing level of such index on the Initial Setting Dates (where multiple Initial Setting Dates are specified in the applicable Final Terms), in respect of such Equity Swap Transaction specified in such applicable Final Terms (each, an “**Average Index Return**”);
- (b) deduct, in respect of each such index, 100% from the Average Index Return, generating a percentage (which may be positive or negative) indicating the performance of such index (by reference to the

closing levels thereof on the Averaging Dates and not any other dates) over the life of such Equity Swap Transaction (the “**Relative Index Return**”);

- (c) determine, by reference to the Relative Index Returns of all the indices referenced in the Class Equity Index Basket (such performance determined as summarised in paragraphs (a) and (b) above in respect of each index) and their respective weightings, the weighted average performance of all the indices referenced in the Class Equity Index Basket, generating, in effect, the weighted average relative return of the relevant basket of indices (the “**Index Return**”); and
- (d) if such Index Return is positive, determine the Swap Counterparty Equity Final Exchange Amount by *multiplying* the Index Return by the *product of* (i) the Swap Notional Amount (being equal to the Outstanding Principal Amount of the Class of Notes of a Series to which such Equity Swap Transaction relates on the applicable Issue Date *multiplied by*, if applicable, the applicable Fee Calculation Factor) (ii) the Participation and (iii) the FX Factor (as set out in the terms of the Equity Swap Transaction if applicable), and then deduct any Performance Fee (if the Ongoing Fee Arrangement is applicable) from the resulting amount.

Accordingly, a holder of a Note of the Equity-Linked Class or the Equity Index-Linked Class (as applicable) as at the applicable Additional Payout Amount Payment Date will receive its *pro rata* share of the amount calculated in accordance with the formula described above. More detailed information on the formula (and each component thereof) can be found in the section of this Base Prospectus entitled “*Description of the Equity Swap Transactions*”.

As described in more detail under “*Impact of Payments of Commissions to the Distributor on the Notes if Ongoing Fee Arrangements is Applicable*” below in this Transaction Description, if the Ongoing Fee Arrangement is specified as applicable in the Final Terms in respect of the Notes, the Fee Calculation Factor is a variable percentage which will be 100% on the applicable Issue Date and will decrease to the applicable final Fee Calculation Factor on the Maturity Date of such Notes. Accordingly, any Additional Payout Amount payable in respect of a Class of Notes of a Series on the Additional Payout Amount Payment Date will be lower than the amount which would be payable if such Fee Calculation had not been applied. A Performance Fee will only be payable in respect of such Class of Notes of a Series (and deducted from the Swap Counterparty Equity Final Exchange Amount) if the result above in respect of each relevant Class of Notes (prior to the deduction of such Performance Fee in the calculation) exceeds an amount equal to the Performance Fee Threshold Amount. In such cases, 10% of such amount which is in excess of the Performance Fee Threshold Amount will constitute the Performance Fee in respect of each such Class. The resultant amounts from the applications of the Fee Calculation Factor and the deduction of any Performance Fee will effectively constitute part of commissions payable to the Distributor.

#### *FX Factor*

If specified as applicable in the applicable Final Terms, the FX Factor is a component in the calculation of any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes. The FX Factor is intended to reflect the relative movements of the foreign exchange rate between (i) SEK and USD, (ii) SEK and EUR and/or (iii) SEK and GBP (as applicable) over the life of the Equity Swap Transaction.

Where USD/SEK, EUR/SEK or GBP/SEK FX Rate (as applicable) is specified as applicable in the applicable Final Terms, in respect of the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, the Calculation Agent will determine the applicable FX Factor by dividing (i) the daily fixing rate of exchange of the number of SEK per USD, EUR or GBP 1 (as applicable), rounded to four decimal places, such rate as at 4:00 p.m. London time and published by WM Company on the relevant Reuters page in respect of the FX Business Day immediately following the latest occurring Averaging Date for any share in the Equity Index by (ii) the USD/SEK, EUR/SEK or GBP/SEK FX Rate (as applicable) in respect of the Trade Date specified in the applicable Final Terms under the relevant Equity Swap Transaction, subject to any adjustment in accordance with the terms of such Equity Swap Transaction.

An FX Business Day is a day on which commercial banks are open for business (including dealings in foreign exchange in accordance with the practice of a foreign exchange market) in the principal financial

centre of the relevant currency and a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is operating.

#### *Adjustments and disruptions*

Prospective investors in an Equity-Linked Class of Notes must note that certain adjustments may be made to the closing levels of any of the constituent share or shares of the Class Equity Basket and the dates on which such levels are determined for the purposes of the Equity Swap Transaction relating to such Class of Notes of a Series as a result of the occurrence of (i) non-Scheduled Trading Days and Disrupted Days, (ii) Market Disruption Events, (iii) Potential Adjustment Events or (iv) a correction of a published price in respect of a share (each of the events as defined in the Equity Derivatives Definitions incorporated by reference in the terms of the Equity Swap Transaction). Furthermore, the Equity Swap Transaction relating to an Equity-Linked Class of Notes may also be subject to adjustment or early termination upon the occurrence of certain Extraordinary Events (which include a merger event, tender offer, nationalisation, delisting or insolvency) or Additional Disruption Events (which include a change in law, hedging disruption, increased cost of hedging or insolvency filing) (as defined in the Equity Derivative Definitions incorporated by reference in the terms of the Equity Swap Transaction).

Prospective investors in an Equity Index-Linked Class of Notes must note that certain adjustments may be made to the closing levels of the equity index or indices of the relevant Class Equity Index Basket and the dates on which such levels are determined for the purposes of the Equity Swap Transaction relating to the Equity Index-Linked Class of Notes as a result of the occurrence of (i) non-Scheduled Trading Days and Disrupted Days, (ii) Market Disruption Events or (iii) a correction of a published level in respect of an index (each of the events as defined in the Equity Derivatives Definitions incorporated by reference in the terms of the Equity Swap Transaction relating to the Equity Index-Linked Class of Notes). Furthermore, the Equity Swap Transaction relating to an Equity Index-Linked Class of Notes may also be subject to adjustment or early termination upon the occurrence of certain Index Adjustment Events (which include an index modification, index cancellation or index disruption) or Additional Disruption Events (which include a change in law, hedging disruption or increased cost of hedging) (as defined in the Equity Derivative Definitions incorporated by reference in the terms of the Equity Swap Transaction relating to the Equity Index-Linked Class of Notes).

Certain risks arising as a result of such events are outlined in the section of this Base Prospectus entitled “*Risk Factors*”. More detailed information on the events referred to above and the resultant adjustments can be found in the section of this Base Prospectus entitled “*Description of the Equity Swap Transactions*”.

#### *Payment of Additional Payout Amount in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes*

If an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes remains outstanding until the relevant Additional Payout Amount Payment Date and a Swap Counterparty Equity Final Exchange Amount is receivable by the Issuer under the relevant Equity Swap Transaction, a holder of a Note of such Class of a Series can expect to receive an Additional Payout Amount equal to its *pro rata* share of such Swap Counterparty Equity Final Exchange Amount.

#### *Worked examples of the determination of an Additional Payout Amount in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes*

The figures and events used for the purposes of these examples (including the number of shares referenced in the Class Equity Basket or Class Equity Index Basket, as applicable) are indicative only and are not intended as a guide as to the actual or expected performance of any Series or Class of Notes, which may be better or worse than the performance set out in the following examples.

The examples all assume the following:

- (a) the Swap Notional Amount of the Equity Swap Transaction relating to the Class or a Series is SEK 1,000,000;
- (b) a Participation of 100% in respect of the Class Equity Basket or Class Equity Index Basket (as applicable);

- (c) an FX Factor of 1.25 in respect of the Equity Swap Transaction based on the assumption of (x) a final USD/SEK FX Rate of 10 per USD 1 divided by (y) an initial USD/SEK FX Rate of SEK 8 per USD 1;
- (d) there is only one Initial Setting Date; and
- (e) where Method 2 is specified as the Equity Final Exchange Amount Calculation Method in respect of the Equity Swap Transaction relating to an Equity-Linked Class of Notes, the Number of Replacement is 4 and the Replacement Level for each of the Best Performing Shares is 70%.

Based on these assumptions:

Example 1:

This example assumes that Method 1 is specified as the Equity Final Exchange Amount Calculation Method, the Ordinary Fee Arrangement is applicable and the shares referenced in the Class Equity Basket have performed as follows:

<b>Share<sub>i</sub></b>	<b>Official closing price of Share<sub>i</sub> on the Initial Setting Date (in the relevant currency unit)</b>	<b>Arithmetic mean of the official closing price of Share<sub>i</sub> on each Averaging Date (in the relevant currency unit)</b>	<b>Relative Share Return of Share<sub>i</sub></b>
Share 1	5	4.5	-10%
Share 2	10	12	20%
Share 3	10	10	0%
Share 4	8	6	-25%
Share 5	15	18	20%
Share 6	10	8	-20%
Share 7	10	12.5	25%
Share 8	20	16	-20%
Share 9	8	10	25%
Share 10	10	7.25	-27.5%

In this example, the average performance of the Class Equity Basket will be -1.25%, being the sum of the percentages in the column entitled “Relative Share Return of Share<sub>i</sub>” *divided by* 10 (the number of shares referenced in the Class Equity Basket). Accordingly, no Swap Counterparty Equity Final Exchange Amount will be payable under the Equity Swap Transaction relating to this Class as the average performance of the Class Equity Basket is below zero.

Accordingly, based on this example, in respect of this Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the applicable Additional Payout Amount Payment Date will not receive an Additional Payout Amount.

### Example 2:

This example assumes that Method 1 is specified as the Equity Final Exchange Amount Calculation Method, the Ordinary Fee Arrangement is applicable and the shares referenced in the Class Equity Basket have performed as follows:

<b>Share<sub>i</sub></b>	<b>Official closing price of Share<sub>i</sub> on the Initial Setting Date (in the relevant currency unit)</b>	<b>Arithmetic mean of the official closing price of Share<sub>i</sub> on each Averaging Date (in the relevant currency unit)</b>	<b>Relative Share Return of Share<sub>i</sub></b>
Share 1	5	5.5	10%
Share 2	10	12	20%
Share 3	10	10	0%
Share 4	8	6	-25%
Share 5	15	18	20%
Share 6	10	10.5	5%
Share 7	10	12.5	25%
Share 8	20	17	-15%
Share 9	8	8	0%
Share 10	10	11	10%

In this example, the average performance of the Class Equity Basket will be 5%, being the sum of the percentages in the column entitled “Relative Share Return of Share<sub>i</sub>” *divided by* 10 (the number of shares referenced in the Class Equity Basket), which is referred to in this example as the Equity Return. Accordingly, the Swap Counterparty Equity Final Exchange Amount payable under the Equity Swap Transaction relating to this Class of Notes of a Series will be SEK 62,500, being the *product of* (i) the Swap Notional Amount of SEK 1,000,000, (ii) the Participation of 100%, (iii) the Equity Return of 5% and (iv) the FX Factor of 1.25.

Accordingly, based on this example, in respect of this Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the applicable Additional Payout Amount Payment Date will receive an Additional Payout Amount of SEK 625, being its *pro rata* share of the Swap Counterparty Equity Final Exchange Amount calculated above.

### Example 3

This example assumes that Method 2 is specified as the Equity Final Exchange Amount Calculation Method, the Ordinary Fee Arrangement is applicable and the shares referenced in the Class Equity Basket have performed as follows:

<b>Share<sub>i</sub></b>	<b>Official closing price of Share<sub>i</sub> on the Initial Setting Date (in the relevant currency unit)</b>	<b>Arithmetic mean of the official closing price of Share<sub>i</sub> on each Averaging Date (in the relevant currency unit)</b>	<b>Relative Share Return of Share<sub>i</sub></b>
Share 1	10	4	-60%

Share 2	10	12	20% (assumed to be 70%)
Share 3	20	10	-50%
Share 4	10	2.5	-75%
Share 5	10	11	10%
Share 6	10	10.5	5%
Share 7	10	12.5	25% (assumed to be 70%)
Share 8	20	13	-35%
Share 9	8	6	-25%
Share 10	10	11	10%
Share 11	10	13	30% (assumed to be 70%)
Share 12	5	10	100% (assumed to be 70%)

In this example, Share 2, Share 7, Share 11 and Share 12 have been identified as the Best Performing Shares. Regardless of their actual relative return, each of such shares is assumed to have a Relative Share Return of 70% (being the Replacement Level). Accordingly, the average performance of the Class Equity Basket will be 5%, being the sum of the percentages in the column entitled “Relative Share Return of Share<sub>i</sub>” *divided by* 12 (the number of shares referenced in the Class Equity Basket), which is referred to in this example as the Equity Return. Accordingly, the Swap Counterparty Equity Final Exchange Amount payable under the Equity Swap Transaction relating to this Class of Notes will be SEK 58,225, being the *product of* (i) the Swap Notional Amount of SEK 1,000,000 *multiplied by* a Fee Calculation Factor of 93.16%, (ii) the Participation of 100%, (iii) the Equity Return of 5% and (iv) the FX Factor of 1.25.

Accordingly, based on this example, in respect of this Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the Maturity Date will receive an Additional Payout Amount of SEK 582.25, being its *pro rata* share of the Swap Counterparty Equity Final Exchange Amount calculated above.

**Example 4:**

This example assumes that Method 1 is specified as the Equity Final Exchange Amount Calculation Method, the Ongoing Fee Arrangement is applicable, the applicable Fee Calculation Factor is 93.56% and the shares referenced in the Class Equity Basket have performed as follows:

Share <sub>i</sub>	Official closing price of Share <sub>i</sub> on the Initial Setting Date (in the relevant currency unit)	Arithmetic mean of the official closing price of Share <sub>i</sub> on each Averaging Date (in the relevant currency unit)	Relative Share Return of Share <sub>i</sub>
Share 1	5	5.5	10%
Share 2	10	12	20%
Share 3	10	10	0%

Share 4	10	10	0%
Share 5	15	18	20%
Share 6	10	10.5	5%
Share 7	10	12	20%
Share 8	18	18.9	5%
Share 9	15	16.5	10%
Share 10	10	11	10%

In this example the average performance of the Class Equity Basket will be 10%, being the sum of the percentages in the column entitled “Relative Share Return of Share<sub>i</sub>” *divided by* 10 (the number of shares referenced in the Class Equity Basket), which is referred to in this example as the Equity Return. Accordingly, the Swap Counterparty Equity Final Exchange Amount payable under the Equity Swap Transaction relating to such Class of Notes will be SEK 90,644 being the product of (i) the Swap Notional Amount of SEK 1,000,000 multiplied by a Fee Calculation Factor of 93.56%, (ii) the Participation of 100% and (iii) the Equity Return of 10%, *minus* a Performance Fee of SEK 2,916.

The Performance Fee of SEK 2,916 in respect of this Class of Notes is equal to the product of (i) the Swap Notional Amount of SEK 1,000,000, (ii) the Fee Rate of 10%, and (iii) the Fee Multiplier of 2.916%. The Fee Multiplier of 2.916% is equal to (a) (X) the product of the Participation of 100% and the Share Return of 10%; *plus* (Y) 100%; *multiplied by* (Z) the relevant Fee Calculation Factor of 93.56%; *minus* (b) 100%.

Accordingly, based on this example, in respect of this Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the applicable Additional Payout Amount Payment Date will receive an Additional Payout Amount of approximately SEK 906.44, being its *pro rata* share of the Swap Counterparty Equity Final Exchange Amount calculated above.

#### Example 5:

This example assumes that the Ordinary Fee Arrangement is applicable and the Class Equity Index Basket references a single index, which has performed as follows:

<b>Index</b>	<b>Official closing level of Index on the Initial Setting Date</b>	<b>Arithmetic mean of the official closing price of Index on each Averaging Date</b>	<b>Relative Return of Index</b>
Index	500	550	10%

In this example, the average performance of the Class Equity Index Basket will be 10%, being the percentage in the column entitled “Relative Return of Index<sub>i</sub>”, which is referred to in this example as the Equity Index Return. Accordingly, the Swap Counterparty Equity Final Exchange Amount payable under the Equity Swap Transaction relating to this Class will be SEK 100,000, being the *product of* (i) the Swap Notional Amount of SEK 1,000,000, (ii) the Participation of 100%, and (iii) the Equity Index Return of 10%.

Accordingly, based on this example, in respect of this Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the Additional Payout Amount Payment Date will receive an Additional Payout Amount of SEK 1,000, being its *pro rata* share of the Swap Counterparty Equity Final Exchange Amount calculated above.

### Example 6

This example assumes that the Ordinary Fee Arrangement is applicable and the Class Equity Index Basket references four indices, which have performed as follows:

<b>Index</b>	<b>Official closing level of Index on the Initial Setting Date</b>	<b>Arithmetic mean of the official closing price of Index on each Averaging Date</b>	<b>Relative Index Return of Index</b>	<b>Weighting</b>	<b>Weighted Index Return of Index</b>
Index 1	3,000	3,180	6%	25%	1.5%
Index 2	1,500	1,590	6%	25%	1.5%
Index 3	350	392	12%	25%	3%
Index 4	1,000	1,080	8%	25%	2%

In this example, the weighted average performance of the Class Equity Index Basket will be 8%, being the sum of the percentages in the column entitled “Weighted Index return of Index”, which is referred to in this example as the Equity Return. Accordingly, the Swap Counterparty Equity Final Exchange Amount payable under the Equity Swap Transaction relating to the Equity Index-Linked Class of Notes will be SEK 100,000, being the *product of* (i) the Swap Notional Amount of SEK 1,000,000, (ii) the Participation of 100%, (iii) the Equity Return of 8% and (iv) the FX Factor of 1.25.

Accordingly, based on this example, in respect of the Equity Index-Linked Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the applicable Additional Payout Amount Payment Date will receive an Additional Payout Amount of SEK 1,000, being its *pro rata* share of the Swap Counterparty Equity Final Exchange Amount calculated above.

### Example 7:

This example assumes that the Ongoing Fee Arrangement is applicable, the applicable Fee Calculation Factor is 93.91% and the Class Equity Index Basket references four indices, which have performed as follows:

<b>Index</b>	<b>Official closing level of Index on the Initial Setting Date</b>	<b>Arithmetic mean of the official closing price of Index on each Averaging Date</b>	<b>Relative Index Return of Index</b>	<b>Weighting</b>	<b>Weighted Index Return of Index</b>
Index 1	3,000	3,180	6%	25%	1.5%
Index 2	1,500	1,590	6%	25%	1.5%
Index 3	350	392	12%	25%	3%
Index 4	1,000	1,080	8%	25%	2%

In this example, the weighted average performance of the Class Equity Index Basket will be 8%, being the sum of the percentages in the column entitled “Weighted Index return of Index”, which is referred to in this example as the Equity Return. Accordingly, the Swap Counterparty Equity Final Exchange Amount payable

under the Equity Swap Transaction relating to the Equity Index-Linked Class of Notes will be SEK 93,910, being the *product of* (i) the Swap Notional Amount of SEK 1,000,000 *multiplied by* a Fee Calculation Factor of 93.91%, (ii) the Participation of 100%, (iii) the Equity Return of 8% and (iv) the FX Factor of 1.25.

Accordingly, based on this example, in respect of the Equity Index-Linked Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the applicable Additional Payout Amount Payment Date will receive an Additional Payout Amount of SEK 939.10, being its *pro rata* share of the Swap Counterparty Equity Final Exchange Amount calculated above.

### **Impact of the Class Equity Original Collateral on a Certificate-Linked Class of Notes**

#### *Overview*

In respect of each Note of a Certificate-Linked Class, an Additional Payout Amount, which is expected to be funded by the Class Equity Original Collateral Redemption Amount (if any) receivable by the Issuer under the Class Equity Original Collateral relating to such Class, may be payable on the relevant Additional Payout Amount Payment Date (if such date is specified in the Final Terms as the Maturity Date, as part of the redemption amount due in respect of each Note on the Maturity Date). The Class Equity Original Collateral will be issued pursuant to final terms dated on or about the Issue Date (the “**Class Equity Original Collateral Final Terms**”), as described in the section of this Base Prospectus entitled “*Description of the Class Equity Original Collateral*”. The Class Equity Original Collateral Final Terms provide additional information in respect of the Class Equity Original Collateral for the purposes of the Equity Original Collateral Obligor’s base prospectus dated 8 January 2016, as updated, reissued or supplemented from time to time, as described in the section of this Base Prospectus entitled “*Description of the Class Equity Original Collateral*”. The Class Equity Original Collateral references a target volatility strategy (as described in the Class Equity Original Collateral Final Terms) linked to a basket of funds (the “**Fund Basket**”).

The performance of the Fund Basket, together with the participation percentage (as described in the Class Equity Original Collateral Final Terms) and the Fund Basket Weighting, as adjusted in accordance with the Target Volatility Strategy (as described in the Class Equity Original Collateral Final Terms), will determine the Class Equity Original Collateral Redemption Amount (if any), and therefore the Additional Payout Amount (if any) payable on the Notes on the Additional Payout Amount Payment Date.

A holder of a Note of Certificate-Linked Class will receive a *pro rata* share of the Class Equity Original Collateral Redemption Amount (determined in accordance with the terms of the Class Equity Original Collateral) received by the Issuer.

#### *Fund Basket*

The composition of the Fund Basket on the Issue Date is as set out in the Class Equity Original Collateral Final Terms, and also set out below. The funds referenced in the Fund Basket may be subject to adjustment in accordance with the terms of the Class Equity Original Collateral.

The Class Equity Original Collateral Redemption Amount (if any) payable to the Issuer under the relevant Class Equity Original Collateral (and, accordingly, the Additional Payout Amount (if any) in respect of the Certificate-Linked Class of Notes) will depend in part on the performance of the Fund Basket, which on the Issue Date is expected to comprise the following funds:

	<b>Name</b>	<b>Bloomberg Code</b>	<b>Initial Weighting</b>
1	Carmignac Patrimoine	CARMPAT FP	33.33%
2	ETHNA-AKTIV T	ETAKTVE LX	33.33%
3	M&G Optimal Income Fund	MGOIAEA LN	33.33%

Information (including information as to their past and future performance and volatility) about the funds included in the Fund Basket may be obtained on Bloomberg under the codes set out in the table above and at the websites set out in the Class Equity Original Collateral Final Terms.

*Formula for calculating the Class Equity Original Collateral Redemption Amount and the Additional Payout Amount in respect of a Certificate-Linked Class of Notes*

The Additional Payout Amounts (if any) payable in respect of a Certificate-Linked Class of Notes are expected to be funded by the Class Equity Original Collateral Redemption Amount (if any) receivable by the Issuer on the maturity date of the relevant Class Equity Original Collateral, subject to postponement in accordance with the terms of such Class Equity Original Collateral (the “**Class Equity Original Collateral Maturity Date**”). Any such Class Equity Original Collateral Redemption Amount will be determined by the Calculation Agent (as defined in the terms of the Class Equity Original Collateral) by reference to a formula.

For the purpose of determining any Class Equity Original Collateral Redemption Amount receivable by the Issuer under the Class Equity Original Collateral, the Calculation Agent (as defined in the terms of the Class Equity Original Collateral) will apply the formula to, in summary:

- (a) determine the return of the Target Volatility Strategy (as described in the Class Equity Original Collateral Final Terms), calculated by determining: (i) the arithmetic average of the Portfolio Value (as defined in the Class Equity Original Collateral Final Terms) on the Valuation Averaging Dates (as specified in the Class Equity Original Collateral Final Terms), expressed as a percentage (the “**Average Portfolio Value**”), (ii) deducting 100% from the Average Portfolio Value and (iii) dividing the resulting percentage by 100% (the “**Portfolio Return**”); and
- (b) determine, if the Portfolio Return is positive, (A) an amount per security equal to the *product of* (i) the Nominal Amount (as defined in the relevant Class Equity Original Collateral Final Terms), (ii) the Participation (which is a percentage as set out in the relevant Class Equity Original Collateral Final Terms) and (iii) the Portfolio Return, rounded to two decimal places, *multiplied by* (B) the number of securities held by the Issuer (which will be a number of securities with an aggregate Nominal Amount (as defined in the relevant Class Equity Original Collateral Final Terms) equal to the Aggregate Nominal Amount of the Notes) (the “**Class Equity Original Collateral Redemption Amount**”).

Accordingly, a holder of a Note as at the Additional Payout Amount Payment Date will receive its *pro rata* share of the amount calculated in accordance with the applicable formula described above. More detailed information on the formula (and each component thereof) can be found in the Class Equity Original Collateral Final Terms, as set out in the section of this Base Prospectus entitled “*Description of the Class Equity Original Collateral*”.

*Target Volatility Strategy*

Prospective investors in a Certificate-Linked Class of Notes must note that the weightings applied to each fund unit/share comprised in the Fund Basket will be rebalanced in accordance with the Target Volatility Strategy (as defined in the Class Equity Original Collateral Final Terms). Therefore, the weighting for each constituent fund will be adjusted during the term of such Class. Such adjustment, as further described in the Class Equity Original Collateral Final Terms, will affect the Portfolio Values used to determine the Portfolio Return and to calculate the Class Equity Original Collateral Redemption Amount, which in turn will affect any Additional Payout Amount payable on each Note of such Class.

*Adjustments and disruptions*

In the event that the price of a fund unit/share comprised in the Fund Basket is determined and published and is subsequently corrected within one Settlement Cycle (as defined in the terms of the Class Equity Original Collateral), the Equity Original Collateral Obligor and the Equity Original Collateral Calculation Agent shall be entitled to make adjustments to the terms of the Class Equity Original Collateral, at their reasonable discretion, to account for the correction, as more fully described in the terms of the Class Equity Original Collateral.

Prospective investors in a Certificate-Linked Class of Notes must note that certain adjustments may be made to the dates on which the prices of the funds are determined for the purposes of the Class Equity Original Collateral as a result of the occurrence of a Market Disruption (as defined in the terms of the Class Equity Original Collateral, which includes, among others, a suspension or failure to announce the price of a fund unit/share on any relevant day or the occurrence of any other event that, in the opinion of the Equity Original

Collateral 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 fund units/shares).

The maturity date of the Class Equity Original Collateral and, if the Additional Payout Amount Payment Date is specified in the Final Terms as the Maturity Date of the Notes, the final maturity of the Certificate-Linked Class of Notes may be postponed if there would be a delay in the receipt by a notional investor who had given due notice of the full redemption proceeds of the relevant fund units/shares.

Furthermore, the Class Equity Original Collateral may also be subject to adjustment or early termination upon the occurrence of certain Potential Adjustment Events (as defined in the terms of the Class Equity Original Collateral, which include, among others, (i) a violation or change of any material terms in the marketing of the fund, (ii) a change in the main investment objective of the fund, (iii) a change in the currency in which the net asset value of the fund is reported, (iv) the net asset value of the fund not being calculated or announced when it ordinarily would be available; (v) restrictions or limitations of redemptions or subscriptions for the fund being imposed; (vi) regulatory or tax treatment being changed; (vii) a review or investigation of the activities of the fund or its manager; (viii) the Equity Original Collateral Obligor being the beneficial owner of 25% or more of the fund units of the fund; (ix) any winding-up, liquidation of, or any termination or any loss of regulatory approval, license or registration of, a manager, or any merger, de-merger, winding-up or liquidation of or affecting the fund; (x) any arrangement between the Equity Original Collateral Obligor and the fund or manager being changed or terminated; and (xi) any event in respect of a fund that, in the opinion of the Equity Original Collateral Obligor and the Equity Original Collateral Calculation Agent affects the Equity Original Collateral Obligor's hedging activities in relation to its exposure under the Class Equity Original Collateral).

Certain risks arising as a result of such events are outlined in the section of this Base Prospectus entitled "*Risk Factors*". More detailed information on the events referred to above and the resultant adjustments can be found in the terms of the Class Equity Original Collateral.

#### *Worked examples of the determination of an Additional Payout Amount*

The figures and events used for the purposes of these examples are indicative only and are not intended as a guide as to the actual or expected performance of Series or Class of Notes, which may be better or worse than the performance set out in the following examples.

The examples all assume the following:

- (a) the Nominal Amount of the Class Equity Original Collateral is SEK 1,000,000; and
- (b) the Participation is 100%.

Based on these assumptions:

#### Example 1:

This example assumes that the Fund Basket has performed such that the Portfolio Return is -5%.

In this example, no Class Equity Original Collateral Redemption Amount will be payable under the Class Equity Original Collateral, as the Portfolio Return for the Fund Basket is below zero. Based on this example, a holder of a Note having a nominal amount of SEK 10,000 as at the Additional Payout Amount Payment Date will not receive an Additional Payout Amount.

#### Example 2:

This example assumes that the Fund Basket has performed such that the Portfolio Return is 15%.

In this example, the Class Equity Original Collateral Redemption Amount will be SEK 150,000, being the *product* of (i) the Nominal Amount of SEK 1,000,000, (ii) the Participation of 100% and (iii) the Portfolio Return of 15%. Accordingly, the Class Equity Original Collateral Redemption Amount payable under the Class Equity Original Collateral will be SEK 150,000.

Accordingly, based on this example, in respect of this Class of Notes, a holder of a Note having a nominal amount of SEK 10,000 as at the Additional Payout Amount Payment Date will receive an Additional Payout Amount of SEK 1,500, being its *pro rata* share of the Class Equity Original Collateral Redemption Amount calculated above.

## **Impact of the Redemption Percentage**

### *Overview*

The payment of any amount other than the Additional Payout Amount in respect of a Class of Notes will, in the absence of any Collateral Event, be funded by an amount receivable by the Issuer under the Asset Swap Transaction which will take into account the application of the applicable Redemption Percentage. If the applicable Final Terms specify a Redemption Percentage lower than 100%, even if no Early Redemption Event has occurred, to receive at least 100% of the amount invested in any Notes of a Class at maturity, investors will rely on the Additional Payout Amount payable on such Class to make up for the shortfall resulting from application of the Redemption Percentage in the calculation of the relevant amounts receivable by the Issuer under the Asset Swap Transaction.

### *Worked example of minimum return to protect initial investment*

The following example is intended to illustrate the minimum level of Share Return which a holder of an Equity-Linked Notes having a nominal amount of SEK 10,000 as at the Issue Date will require in order for its initial investment of SEK 10,000 to be protected in circumstances where no Early Redemption Event or Potential Collateral Event has occurred and the Notes of a Series are redeemed at the final redemption amount on the Maturity Date. The figures and events used for the purposes of this example are indicative only and are not intended as a guide as to the actual or expected performance of any Series or Class of Notes, which may be better or worse than the performance set out in the following example.

This example assumes the following:

- (a) no Early Redemption Event or Potential Collateral Event has occurred;
- (b) the Outstanding Principal Amount of an Equity-Linked Class of Notes as at the Maturity Date is SEK 1,000,000;
- (c) a Redemption Percentage of 90%;
- (d) a Participation of 100%; and
- (e) an FX Factor of 1.

Based on these assumptions, a holder of a Note of this Class having a nominal amount of SEK 10,000 on the Maturity Date will need the Additional Payout Amount to be not less than SEK 1,000 to protect its initial investment, being the difference between SEK 10,000 and the Final Redemption Amount of SEK 9,000 (being its *pro rata* share of the Outstanding Principal Amount of SEK 1,000,000 *multiplied by* the Redemption Percentage specified in the applicable Final Terms).

An Additional Payout Amount of not less than SEK 1,000 requires a Share Return of not less than 11.111%. Note, however, that this example assumes a Participation of 100% and an FX Factor of 1 and if the actual Participation were less than 100% or actual FX Factor were less than 1, the required Share Return would need to be proportionately higher to achieve the same SEK 1,000 return.

Similarly, in respect of a Fund-Linked Class of Notes, an Equity Index-Linked Class of Notes or a Certificate-Linked Class of Notes, if the applicable Final Terms specify a Redemption Percentage lower than 100%, the Reference Portfolio Return in relation to the Fund, the Index Return or the return on the Class Equity Original Collateral Redemption Amount (as applicable) will need to achieve the equivalent level in order for a holder of a Note of such Class to receive at least 100% of the amount invested.

## **Impact of Payments of Commissions to the Distributor on the Notes if Ongoing Fee Arrangement is Applicable**

### *Overview*

In connection with the issuance of Notes of a Series by the Issuer, if the Ongoing Fee Arrangement is specified as applicable in the Final Terms, commissions will be payable to the Distributor during the life of the Notes of such Series. In respect of a Class of Notes of a Series, the commissions payable to the Distributor will be funded by the liquidation of the following Original Collateral and reductions and deductions incorporated into the calculations of amounts receivable by the Issuer under the Asset Swap

Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Class:

- (a) where the Calculation Agent determines that as at any FCF Observation Date specified in the applicable Final Terms the FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount (being an amount equal to: (A) the Fee Calculation Factor applicable at the immediately preceding FCF Observation Date minus the Fee Calculation Factor applicable at the relevant FCF Observation Date multiplied by (B) the nominal amount of the Class Collateral Component Amount as at the Issue Date (as adjusted for repurchases and cancellations)) is equal to or greater than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral, the Calculation Agent shall instruct the Disposal Agent to sell a portion of such Class Collateral Component Amount equal to the FCF Collateral Liquidation Amount (where applicable, rounded down to the nearest integer multiple of the denomination or minimum trading lot) of such Class Collateral Component Amount. If the relevant FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount is less than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral Component Amount, no such sale shall be instructed;
- (b) the application of the Fee Calculation Factor (which will be 100% on the applicable Issue Date and will decrease to the applicable final Fee Calculation Factor on the Maturity Date of the Notes of a Series (and decrease further thereafter)) to reduce the final exchange amount receivable by the Issuer under the Asset Swap Transaction and the Swap Notional Amount of the Fund Swap Transaction Equity Swap Transaction (as applicable) relating to such Class in calculating any amounts receivable by the Issuer under the Swap Agreement. Such amounts include any final exchange amount and Swap Counterparty Equity Final Exchange Amount receivable by the Issuer; and
- (c) the payment of any Performance Fee, which will be deducted from any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the relevant Fund Swap Transaction or Equity Swap Transaction (as applicable). Such Performance Fee depends, in part, on the performance of the relevant Fund, Class Equity Basket or Class Equity Index Basket (as applicable) referenced by the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Class of Notes.

As the payment of any principal (including any Additional Payout Amount) with respect to a Class of Notes of a Series will be funded by the amounts receivable by the Issuer under the Swap Agreement, the payment of commissions to the Distributor will ultimately be borne by the Noteholders of such Class. Accordingly, even if no Collateral Event has occurred with respect to any Collateral Component, to receive at least 100% of the amount invested in any Class of Notes at maturity, investors will rely on the Additional Payout Amount payable under such Class to make up for such shortfall resulting from application of such Fee Calculation Factor to the notional amount of the Asset Swap Transaction *after* the application of the relevant Fee Calculation Factor and deduction of the Performance Fee in the calculation of any such Additional Payout Amount.

For the avoidance of doubt, where no Original Collateral is sold in respect of an FCF Observation Date as described above, while the final exchange amount receivable by the Issuer under each Asset Swap Transaction is reduced by the application of the Fee Calculation Factor, the payments due from the Issuer to the Swap Counterparty under each Asset Swap Transaction will remain the same.

#### *Application of the Fee Calculation Factor to the Asset Swap Transactions*

As noted above, in calculating any amounts due to the Issuer under each Asset Swap Transaction (and therefore a corresponding portion of principal payable in respect of each Class of Notes), the notional amount applicable to such Asset Swap Transaction in respect of payments due from the Swap Counterparty will be reduced by the application of the Fee Calculation Factor. As shown in the table below, the Fee Calculation Factor is a variable percentage which will be 100% on the Issue Date and will decrease to the applicable final Fee Calculation Factor on the Maturity Date of the Notes. Accordingly, the amounts payable in respect of the partial redemption of the Notes following the occurrence of a Collateral Event will be lower than the amount which would be payable if such Fee Calculation Factor had not been applied.

### *Worked example of minimum return to protect initial investment*

The following example is intended to illustrate that, if no Collateral Event or Early Redemption Event occurs and the Notes of an Equity-Linked Class are redeemed at the Final Redemption Amount on the Maturity Date, the minimum level of Share Return which a holder of a Note of such Class having a nominal amount of SEK 10,000 as at the Issue Date will require in order to protect its initial investment of SEK 10,000. The figures and events used for the purposes of this example are indicative only and are not intended as a guide as to the actual or expected performance of any Series or Class of Notes, which may be better or worse than the performance set out in the following example.

This example assumes the following:

- (a) the Additional Payout Amount Payment Date falls on the Maturity Date;
- (b) no Collateral Event has occurred as at the Maturity Date;
- (c) the Outstanding Principal Amount of an Equity-Linked Class of Notes as at the Maturity Date is SEK 1,000,000;
- (d) a Fee Calculation Factor of 93.56% as at the Maturity Date;
- (e) a Participation of 100%; and
- (f) an FX Factor of 1.

Based on this example, on the Maturity Date, a holder of a Note of this Class having a nominal amount of SEK 10,000 will need to receive an Additional Payout Amount of SEK 644 to protect its initial investment, being the difference between SEK 10,000 and the Final Redemption Amount of SEK 9,356 (being its *pro rata* share of the Outstanding Principal Amount of SEK 1,000,000 multiplied by the Fee Calculation Factor of 93.56%).

An Additional Payout Amount of SEK 644 means a Share Return of approximately 6.8833%, being the quotient of SEK 644 and the product of (i) a nominal amount of SEK 10,000, (ii) a Participation of 100%, and (iii) a Fee Calculation Factor of 93.56% (before adjustment for any Performance Fee).

Similarly, in respect of a Fund-Linked Class of Notes or an Equity Index-Linked Class of Notes the Reference Portfolio Return or Index Return (as applicable) in relation to the Fund will need to achieve the equivalent level in order for a holder of a Note of such Class to receive at least 100% of the amount invested.

### **Impact of a Class Swap Transaction Termination Event or an Equity Collateral Event**

In respect of a Fund-Linked Class, an Equity-Linked Class or an Equity Index-Linked Class of Notes, if the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Class of Notes is terminated or cancelled (other than as a result of the termination of the Swap Agreement as a whole), the holder of each Note of the relevant Class will be entitled to receive its *pro rata* share of the termination or cancellation payment in respect of the relevant transaction paid to the Issuer by the Swap Counterparty.

In respect of a Certificate-Linked Class of Notes, if any of the following Equity Collateral Events (as specified in the applicable Final Terms) has occurred with respect to any Class Equity Original Collateral relating to such Class:

- (a) *Equity Collateral Default* - any of the Class Equity Original Collateral becomes payable or repayable or becomes capable of being declared due and payable prior to its stated maturity for whatever reason, otherwise than in accordance with their scheduled repayment profile or as a result of the exercise of an issuer option or a holder option unless such option arises as a result of an event of default, a tax event or other similar event; or
- (b) *Equity Collateral Payment Failure* - the failure by the Equity Original Collateral Obligor to make a scheduled payment on the date, in the place and in the currency such payment was originally scheduled to be made (disregarding any terms allowing for non-payment, deferral or adjustments to any scheduled payments and any notice or grace period in respect thereof) in respect of such Class Equity Original Collateral,

the Disposal Agent will arrange for the liquidation of the Class Equity Original Collateral. The holder of each Note of the relevant Class will be entitled to receive its *pro rata* share of the liquidation proceeds of such Class Equity Original Collateral.

Under any of the scenarios described above, the holder of a Note of the relevant Class of Notes will not be entitled to receive any Additional Payout Amount. If SEK 1 remains outstanding in respect of such Note solely for the purposes of the Additional Payout Amount, the payment of the relevant amount described above will satisfy all the Issuer's obligations under and in relation to such Note.

### **Early Redemption in Full**

#### *Overview*

In certain circumstances, the Notes of a Class will be redeemed in full prior to the Maturity Date and the amount receivable by holders of the Notes of such Class will depend, among other things, on the liquidation proceeds of the Original Collateral, the Equity Original Collateral and the mark-to-market value of the Asset Swap Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Class (or the net mark-to-market value of the Swap Agreement attributable to the Asset Swap Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable)).

#### *Early Redemption Events*

The Notes of a Class may be redeemed early, and in full, together with the Notes of any other Class, in any of the following circumstances:

- (a) the occurrence of certain insolvency events with respect to the Swap Counterparty, the occurrence of an Event of Default or a Termination Event (each as defined in the Swap Agreement), the occurrence of a Termination Event (as defined in the Swap Agreement) with respect to any Asset Swap Transaction, the Fund Swap Transaction or the Equity Swap Transaction where the Issuer has the right to terminate such transaction or the occurrence of certain credit rating downgrading or withdrawal events in respect of the Swap Counterparty, no replacement Swap Counterparty is appointed within 30 calendar days of such default by the Swap Counterparty. More detailed information on the events referred to above and the resultant replacement can be found in the section of this Transaction Description entitled "*Replacement of Swap Counterparty*" below;
- (b) certain tax events occur in respect of payments due by the Issuer under the Notes of each Class, but not instances where (x) withholding or deduction of taxes on the Notes arises solely in respect of FATCA; (y) withholding or deduction of taxes on the Notes arises solely as a result of the Noteholder's connection with the jurisdiction of incorporation of the Issuer (otherwise than by reason of the holding of any Note or receiving any payment in respect thereof); and (z) a withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC (or any other directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000);
- (c) due to the adoption of, or any change in, any applicable law after the Issue Date, or 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 after such date, it becomes unlawful for the Issuer (i) to perform any absolute or contingent obligation to make a payment or delivery in respect of the Notes or any agreement entered into in connection with the Notes, (ii) to hold any Collateral or to receive a payment or delivery in respect of any Collateral or (iii) to comply with any other material provision of any agreement entered into in connection with the Notes;
- (d) an Event of Default occurs with respect to such Class of Notes; or
- (e) the Trustee enforces the security following the occurrence of an Enforcement Event in respect of any other Class of Notes.

#### *Payments and Deliveries following an Early Redemption Event*

Upon the occurrence of one of the events listed above, the Notes of the relevant Class may be redeemed by payment to the holder of the relevant Early Cash Redemption Amount. A description of the calculation of the Early Cash Redemption Amount is set out in the section of this Base Prospectus entitled "*Description of the Swap Agreement*".

## Security

In respect of an issue of Notes of a Series, the Issuer will enter into an Issue Deed on the Issue Date with, amongst others, BNY Mellon Corporate Trustee Services Limited as trustee for the Notes of such Series (the “**Trustee**”) under English law pursuant to which the Notes of such Series will be constituted and secured (such Issue Deed as it supplements the Principal Trust Deed relating to the Programme, being the Trust Deed for the Notes). In accordance with such Issue Deed, the Issuer will grant to the Trustee to secure its obligations in respect of the Notes and the Swap Agreement:

- (a) a first ranking pledge (*gage de premier rang*) over all of the Pledged Collateral (which comprises the Original Collateral, the Class Equity Original Collateral (if applicable) and any Eligible Securities delivered to the Issuer by the Swap Counterparty from time to time and held by the Custodian (on behalf of the Issuer) under Luxembourg law (the “**Luxembourg Pledge**”). In respect of a Series of Notes, the Original Collateral and the Class Equity Original Collateral (if applicable) will be held in the Securities Account (as defined in the Agency Agreement) maintained by the Custodian for such Series on a pooled basis; and
- (b) in addition, but subject, to the Luxembourg Pledge, the following security under English law:
  - (i) an assignment by way of security of all the Issuer’s rights, title and interest attaching or relating to the Collateral (which comprises the Original Collateral, the Class Equity Original Collateral (if applicable) and any Eligible Securities delivered to the Issuer by the Swap Counterparty from time to time and held by the Custodian (on behalf of the Issuer) (together, the “**Collateral**”) and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
  - (ii) an assignment by way of security of the Issuer’s rights, title and interest against the Custodian, to the extent that they relate to the Collateral and/or the Notes;
  - (iii) an assignment by way of security of the Issuer’s rights, title and interest under the Agency Agreement, to the extent they relate to the Collateral and/or the Notes;
  - (iv) an assignment by way of security of the Issuer’s rights, title and interest under the Swap Agreement (without prejudice to, and after giving effect to, any contractual netting provision contained in the Swap Agreement);
  - (v) an assignment by way of security of the Issuer’s rights, title and interest under the Agency Agreement, to the extent that they relate to any assets held by the Custodian in respect of the Notes;
  - (vi) an assignment by way of security of the Issuer’s rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent) to the extent that such rights relate to the Collateral and/or the Notes;
  - (vii) a charge over (A) all sums held by the Issuing and Paying Agent to meet payments due in respect of the Issuer’s secured payment obligations and (B) any sums received by the Issuing and Paying Agent under the Swap Agreement; and
  - (viii) a charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral,

the foregoing being the “**Mortgaged Property**”.

Investors should note that where any Collateral and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer’s rights against the Custodian in respect of such Collateral and/or property, sums and assets, as the case may be, rather than a charge over such Collateral and/or property, sums and assets derived therefrom themselves.

Under the Trust Deed, the Trustee undertakes to hold on trust the security granted to it for, among other things, the benefit of itself and the Noteholders and has the right to enforce the security upon the occurrence

of an Enforcement Event in respect of any Class of Notes, for example, in the event of a non-payment of certain amounts due under any Class of Notes. If the Trustee enforces the security following the occurrence of an Enforcement Event in respect of a Class of Notes, any other Class will be redeemed early at the same time as that Class.

While the Trustee is permitted to give notice to the Issuer of its determination that an Event of Default has occurred (and that accordingly any Class of Notes have become immediately due and payable) and to determine that an Enforcement Event has occurred and enforce the security for the Notes, it is not required to do so unless (i) the Trustee is directed by an Extraordinary Resolution passed by the Noteholders of the relevant Class to do so (in the case of either an Event of Default or Enforcement Event) or (ii) the Trustee is directed by the Swap Counterparty in writing (in the case of an Enforcement Event only), and, in each case, the Trustee is indemnified and/or secured and/or prefunded by the Noteholders of the relevant Class to its satisfaction.

As indicated above, the Noteholders of a Class, by passing an Extraordinary Resolution, will be entitled to direct the Trustee to give an Early Redemption Notice to the Issuer and, if necessary, enforce the security following an Enforcement Event in respect of such Class, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction. Such Extraordinary Resolution if passed by way of a signed written resolution or given by way of electronic consents through the clearing systems (where the Notes are held on behalf of a Clearing System) must be passed by Noteholders holding, in aggregate, the relevant Class at least 75% in nominal amount of all of the outstanding Notes of such Class. Given the wide distribution of the Notes, Noteholders should be aware that there may be a significant delay between the Noteholders becoming entitled to make such a direction to the Trustee and Noteholders holding a sufficient nominal amount of the Notes of the relevant Class being able to make such request and provide the required indemnification, security and/or prefunding to the Trustee.

The Trustee is obliged to pay the proceeds from the realisation or enforcement of the Mortgaged Property with the priority set out below:

- (a) the payment of amounts owing to the Swap Counterparty pursuant to the Credit Support Annex (which will be equal to the lesser of (A) the Available Proceeds attributable to the Swap Counterparty's Credit Support Balance; and (B) an amount equal to (1) the Available Proceeds attributable to the Swap Counterparty's Credit Support Balance *minus* (2) the Early Termination Amount (whether negative or positive) with respect to the Swap Agreement);
- (b) the payment or satisfaction of all taxes owing by the Issuer;
- (c) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the security (including any taxes to be paid, legal fees and remuneration);
- (d) certain amounts owing to the Custodian, the Issuing and Paying Agent and the other Agents in respect of reimbursement for sums paid by them in advance of receipt by them of the funds to make such payment and their fees, costs, charges, expenses and liabilities;
- (e) any fees of the Disposal Agent;
- (f) any amounts owing to the Swap Counterparty under the Swap Agreement;
- (g) fees of the Corporate Services Provider; and
- (h) amounts owing to the Noteholders on a *pari passu* and *pro rata* basis.

### **The Credit Support Annex**

The Issuer and Credit Suisse International will enter into a Credit Support Annex as part of the Swap Agreement.

Under the terms of the Credit Support Annex, a weekly valuation will be performed by the Swap Counterparty (in its capacity as Valuation Agent) as to the Issuer's Exposure (as defined in the Credit Support Annex) to the Swap Counterparty and the Swap Counterparty's Exposure (as defined in the Credit Support Annex) to the Issuer under the Swap Agreement. If the Issuer has an Exposure to the Swap Counterparty, the Swap Counterparty may be required to transfer securities ("**Eligible Securities**") to the

Issuer as credit support in order to collateralise any such Exposure. Such Eligible Securities may, at the option of the Swap Counterparty, comprise negotiable debt obligations issued by the governments of the United States of America, Canada, the United Kingdom, France, Germany or by an Original Collateral Obligor at the relevant time. Similarly, if the Swap Counterparty has an Exposure to the Issuer (subject to certain thresholds being met, as set out below), the Issuer may be required to transfer some or all of the Original Collateral to the Swap Counterparty as credit support in order to collateralise any such Exposure. For so long as the Custodian (on behalf of the Issuer) is holding any such Eligible Securities, they will comprise underlying assets for the Notes.

The Valuation Percentage (as defined in the Credit Support Annex) for Eligible Securities transferred as credit support is expected to be 90%. This means that the minimum value of Eligible Securities required to have been transferred following any valuation will be greater than the corresponding Exposure of the Issuer (at around 110%).

The amount of credit support required to be transferred by the Swap Counterparty or the Issuer under the Credit Support Annex in respect of a valuation date will depend on the Issuer's Exposure to the Swap Counterparty and the Swap Counterparty's Exposure to the Issuer under the Swap Agreement and the value of any existing credit support balance held by the Issuer or the Swap Counterparty, as determined by the Swap Counterparty (in its capacity as Valuation Agent) in accordance with the terms of the Credit Support Annex.

All valuations will be by reference to the Base Currency under the Credit Support Annex, being SEK.

To the extent that the value of any existing credit support balance held by the Issuer exceeds the Issuer's Exposure to the Swap Counterparty, then the Issuer may be obliged to return any excess credit support to the Swap Counterparty in accordance with the terms of the Credit Support Annex and similarly to the extent that the value of any existing credit support balance held by the Swap Counterparty exceeds the Swap Counterparty's Exposure to the Issuer, then the Swap Counterparty may be obliged to return any excess credit support to the Swap Counterparty in accordance with the terms of the Credit Support Annex.

The purpose of this mechanism is (i) to reduce the Exposure of the Issuer, and therefore, the Noteholders, to the Swap Counterparty and, (ii) to reduce the Exposure of the Swap Counterparty to the Issuer where the exposure of the Swap Counterparty to the Issuer is greater than that of the Issuer to the Swap Counterparty, if, upon a termination of the Swap Agreement as a result of a default by the Swap Counterparty or the Issuer under the Swap Agreement or the occurrence of certain insolvency or bankruptcy events relating to the Swap Counterparty or the Issuer, a termination amount is payable by the Swap Counterparty to the Issuer or by the Issuer to the Swap Counterparty, as applicable. Such reduction in exposure arises as the Issuer or the Swap Counterparty, as applicable, will be entitled to realise the value of such Eligible Securities, Original Collateral or Class Equity Original Collateral, as applicable, in these circumstances and account for their value in satisfaction (in whole or in part) of the amount which would otherwise have been payable by the Swap Counterparty or the Issuer, as applicable, under the Swap Agreement.

The Swap Counterparty will act for its own benefit and is not required to, and may not, take into account the interests of the Noteholders in determining what securities, meeting the required criteria, to deliver to the Issuer under the Credit Support Annex as Eligible Securities.

## **Replacement of Swap Counterparty and Agents and Rights of Noteholder Facilitator**

### *Replacement of Swap Counterparty*

The terms of the Notes provide that, upon the occurrence of (i) a Counterparty Bankruptcy Credit Event; or (ii) an Event of Default (as defined in the Swap Agreement) with respect to the Swap Counterparty (other than a Counterparty Bankruptcy Credit Event); or (iii) a Termination Event (as defined in the Swap Agreement) where the Issuer has the right to designate an Early Termination Date in respect of the Asset Swap Transactions (an "**Asset Swap Termination Event**"); or (iv) a Termination Event (as defined in the Swap Agreement) where the Issuer has the right to designate an Early Termination Date in respect of the Fund Swap Transaction (a "**Fund Swap Termination Event**") or the Equity Swap Transaction (an "**Equity Swap Termination Event**"); or (v) the long term senior, unsecured rating assigned by Moody's Investors Service Limited ("**Moody's**") to the Swap Counterparty being withdrawn or less than Ba1 or if the short term rating assigned by Moody's to the Swap Counterparty is less than P-3 (any such downgrade or

withdrawal, a “**Moody’s Ba1/P-3 Downgrade**” and such event, along with each of a Counterparty Bankruptcy Credit Event, an Event of Default with respect to the Swap Counterparty, an Asset Swap Termination Event, a Fund Swap Termination Event, an Equity Swap Termination Event and a Moody’s Ba1/P-3 Downgrade, a “**Replacement Event**”), the Issuer will not designate an Early Termination Date and will notify Garantum Fondkommission AB (as Noteholder Facilitator) as soon as reasonably practicable upon becoming aware of any such occurrence.

If (i) a Replacement Event (other than a Moody’s Ba1/P-3 Downgrade) occurs or (ii) (x) a Moody’s Ba1/P-3 Downgrade occurs and (y) the Swap Counterparty gives its prior written consent to such direction, Garantum Fondkommission AB as the Noteholder Facilitator is entitled to direct the Issuer by notice copied to the Trustee to enter into a replacement Swap Agreement with a replacement Swap Counterparty in respect of all Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction, identified by the Noteholder Facilitator. For the avoidance of doubt, the occurrence of a Moody’s Ba1/P-3 Downgrade will not entitle the Issuer to terminate the Swap Agreement and the Noteholder Facilitator will not be entitled to give such a replacement direction upon the occurrence of a Moody’s Ba1/P-3 Downgrade unless the Swap Counterparty has given its prior written consent.

With respect to the occurrence of a Replacement Event which would otherwise have given rise to an early redemption of the Notes, if a replacement Swap Agreement is entered into by the Issuer with such replacement Swap Counterparty, within 30 calendar days of the relevant Replacement Event, then an early redemption under the Notes will not occur as a result. Instead, the ongoing payment obligations of the Swap Counterparty under the Swap Agreement would, effectively, now be ongoing payment obligations of such replacement Swap Counterparty.

Once appointed, if a replacement Swap Counterparty were itself to be subject to a Replacement Event, the same replacement process outlined herein would apply. Again, if a replacement Swap Counterparty was not appointed within 30 calendar days of the occurrence of a Replacement Event which gives rise to an early redemption of the Notes, then the Notes would redeem early.

In order for a replacement Swap Agreement to be entered into in these circumstances, certain requirements need to be met, including:

- (a) the replacement Swap Counterparty must be a reputable financial institution with a place of business in London which enters into derivative transactions as part of its ongoing business activities and which has, as a minimum, the Ba1/P-3 Rating as of the date the replacement Swap Agreement are entered into;
- (b) the replacement Swap Counterparty must be satisfactory to the Issuer and the Trustee; and
- (c) the price such replacement Swap Counterparty is willing to pay or receive to enter into such replacement Swap Agreement must be satisfactory to the Swap Counterparty subject to the Replacement Event.

Where a replacement Swap Agreement is entered into, certain costs and expenses may be incurred by the Trustee and the Issuer and these are expected to be funded by the replacement Swap Counterparty, as applicable on the date it enters into the replacement Swap Agreement, as applicable.

The Swap Counterparty may, under these provisions, be replaced more than once during the term of the Notes as a result of defaults by any subsequent replacement Swap Counterparty. Therefore, the Swap Counterparty may not be Credit Suisse International during the term of the Notes and it is not possible to know as at the Issue Date, the identity of any replacement Swap Counterparty that may enter into a replacement Swap Agreement in connection with the Notes in the circumstances referred to above.

#### *Replacement of Agents*

Where the Swap Counterparty is replaced in the circumstances contemplated above and the existing Swap Agreement has been terminated in full, it is intended that the agency roles performed by such entity, which, as at the Issue Date, include the Calculation Agent and Disposal Agent in respect of the Notes, would be transferred to another entity or entities identified by Garantum Fondkommission AB (or any successor entity thereto) (as Noteholder Facilitator), provided that certain requirements were met, including:

- (a) the entity or entities must be reputable financial institutions with a place of business in London which provides such agency services as part of their ongoing business activities and which has or have, as a minimum, the Ba1/P-3 Rating as of the date of appointment; and
- (b) the entity or entities must be satisfactory to the Issuer, Trustee and replacement Swap Counterparty.

Following such identification of the replacement entity or entities, the Issuer is then required to use reasonable efforts to enter into such agreements as are necessary to appoint such entity or entities to perform such agency roles on, or as soon as reasonably practicable following, the entry into of a replacement Swap Agreement with the replacement Swap Counterparty.

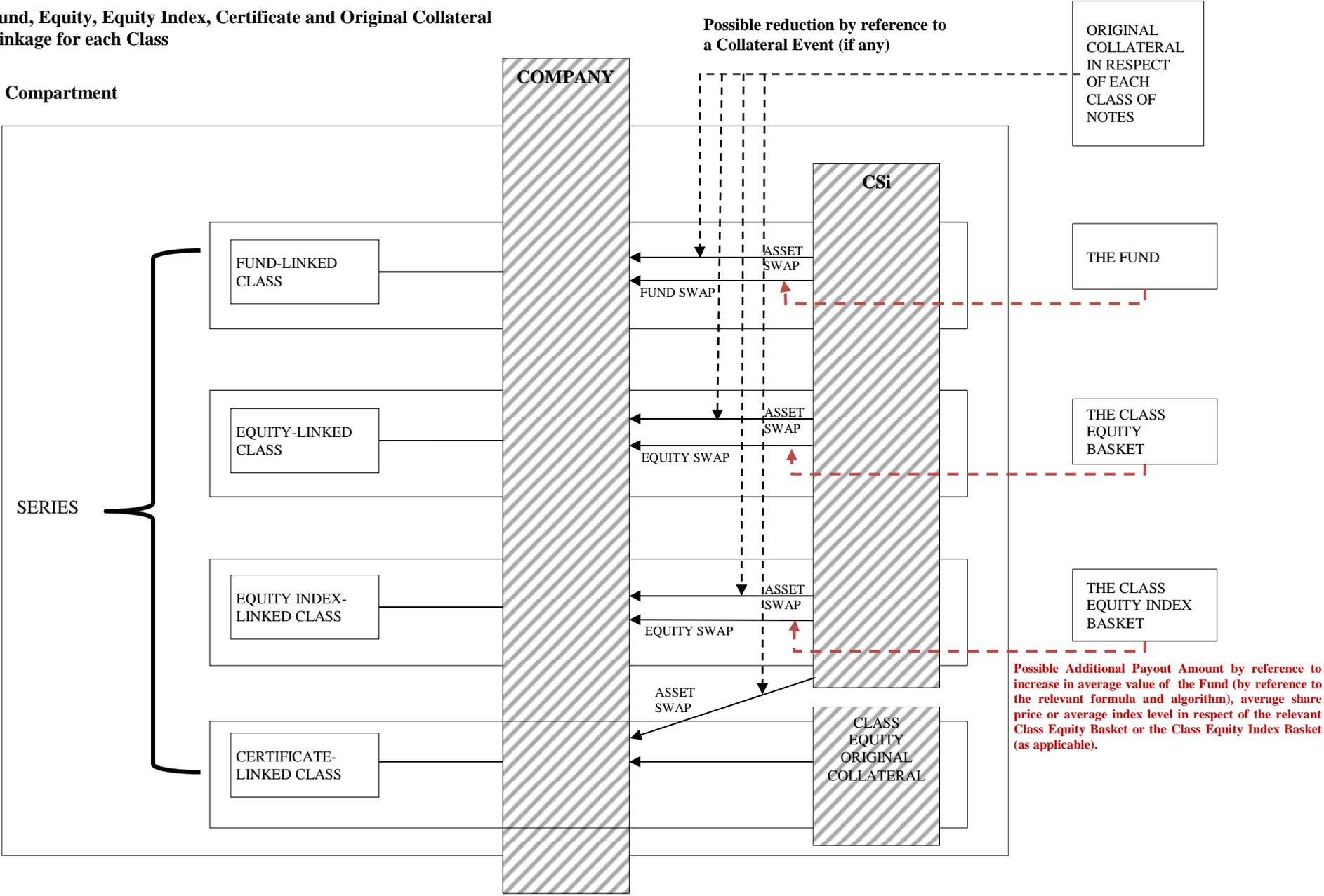
The relevant Agents may, under these provisions, be replaced more than once during the term of the Notes where the Swap Counterparty is also replaced as described above.

## Section Guide

Within this Base Prospectus (including any information incorporated by reference herein) the information contained in the sections identified under (A) below relate to all Notes generally and the information contained in the sections identified under (B) below relate to the particular features of the Notes of the relevant Series or Class which are elected to be applicable in the relevant Final Terms:

(A)			(B)	
<b>Section – All Notes</b>	<b>Page</b>		<b>Section – Fund-Linked</b>	<b>Page</b>
Risk Factors – General Risk Applicable to all Classes	44		Risk Factors Risks relating to a Fund-Linked Class of Notes	64
Transaction Description - Overview of Notes	80		Transaction Description - Impact of the Fund Swap Transaction on a Fund-Linked Class of Notes	87
Transaction Description – Impact of the Redemption Percentage	102		Questions and Answers - Additional Payout Amount payable in respect of a Fund-Linked Class of Notes	119
Transaction Description - Early Redemption in Full	105		Description of the Fund Swap Transactions	158
Transaction Description - Security	106		<b>Section – GAP+</b>	<b>Page</b>
Transaction Description – The Credit Support Annex	107		Risk Factors – Risks relating to Ongoing Fee Arrangement	77
Transaction Description - Replacement of Swap Counterparty and Agents and Rights of Noteholder Facilitator	108		Transaction Description – Impact of Payment of Commissions to the Distributor on the Notes if Ongoing Fee Arrangement is Applicable	102
Questions and Answers - General Questions and Answers	113		<b>Section – Equity-Linked or Equity Index-Linked</b>	<b>Page</b>
Questions and Answers - Additional Questions and Answers	123		Risk Factors – Risks relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes	72
Description of the Company and the Compartment	150		Transaction Description – Impact of the Equity Swap Transaction on an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes	89
Description of the Swap Agreement	152		Questions and Answers – Additional Payout Amount payable in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes	120
Description of the Asset Swap Transactions	156		Description of the Equity Swap Transaction	171
Description of the Credit Suisse International	186		Index Disclaimers	180
Description of the Original Collateral	197	<b>Section – Certificate-Linked</b>	<b>Page</b>	
		Risk Factors – Risks relating to a Certificate-Linked Class of Notes	75	
		Transaction Description – Impact of the Class Equity Original Collateral on a Certificate-Linked Class of Notes	99	
		Questions and Answers – Additional Payout Amount in respect of a Certificate-Linked Class of Notes	122	
		Description of the Class Equity Original Collateral	187	
		Description of the Equity Original Collateral Obligor	196	

**Fund, Equity, Equity Index, Certificate and Original Collateral Linkage for each Class**



## QUESTIONS AND ANSWERS

*The following section answers some questions that prospective investors might have regarding different types of Notes that may be issued as contemplated under this Base Prospectus, in general terms only. It does not contain all the information which may be important to prospective investors. Prospective investors should read the entirety of this Base Prospectus and, in particular, the Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement, the Summary, the Risk Factors, the Transaction Description and the more detailed information in respect of the Asset Swap Transactions, the Fund Swap Transaction, the Equity Swap Transaction and the Class Equity Original Collateral that is contained elsewhere in this Base Prospectus and in the Secured Note Programme Base Prospectus or is incorporated by reference into such documents. In addition, prospective investors should consult with their investment, legal, accounting, tax and other advisers with respect to any investment in the Notes.*

*The information contained in this section is subject in its entirety to the other sections of this Base Prospectus.*

### General Questions and Answers

- What are the Notes?** The Notes of a Series are investment instruments in the form of notes issued by Argentum Capital S.A. acting in respect of a Compartment created for such Series.
- Is any interest payable on the Notes?** A Class of Notes may bear interest on the basis as specified in the applicable Final Terms.
- Where is my money invested?** The Issuer will, subject to the provisions of the Securitisation Act 2004, use the proceeds of the issue of the Notes to purchase the Original Collateral and, if applicable, the Class Equity Original Collateral on the Issue Date and pay the commission to the Dealer and will enter into the Asset Swap Transactions, the Fund Swap Transaction (in respect of a Fund-Linked Class of Notes) and the Equity Swap Transaction (in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes).
- The Dealer will, in consideration for receiving the Notes, procure that the Swap Counterparty enters into the Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction (as applicable) with the Issuer.
- The return on:
- (a) a Fund-Linked Class of Notes is linked to the Fund Swap Transaction (referencing the performance of the Fund) and the Asset Swap Transaction relating to such Class;
  - (b) an Equity-Linked Class of Notes is linked to the Equity Swap Transaction (referencing the performance of the relevant Class Equity Basket) and the Asset Swap Transaction relating to the such Class;
  - (c) an Equity Index-Linked Class of Notes is linked to the Equity Swap Transaction (referencing the performance of the relevant Class Equity Index Basket) and the Asset Swap Transaction relating to such Class; and
  - (d) a Certificate-Linked Class of Notes is linked to the Class Equity Original Collateral (referencing the performance of the Fund Basket) and the Asset Swap Transaction relating to such Class.
- Are the Notes secured on any Original** Yes. The Issuer will purchase Original Collateral using the issue proceeds of the Notes. Such Original Collateral will comprise one or more bonds (or other debt instruments) issued by a corporate or sovereign and listed on a regulated or

## Collateral?

equivalent market (for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments), the Hong Kong Stock Exchange, the New York Stock Exchange and/or the Tokyo Stock Exchange (each a “**Collateral Component**”), determined by reference to the USD, EUR, GBP or CHF (or any other applicable currency) equivalent of the portion of the net issue proceeds of each Class allocated to the relevant Collateral Component (as applicable), or such other bonds issued by (i) any such issuer of a Collateral Component or (ii) any entity controlled, directly or indirectly, by any such issuer, any entity that controls, directly or indirectly, such issuer or any entity directly or indirectly under common control with any such issuer (any such entity, an “**Affiliate**” of such issuer) as may be determined by the Dealer as at the Collateral Event Observation Start Date specified in the applicable Final Terms (any such alternative bond, an “**Alternative Collateral Component**” which shall be treated as a Collateral Component and, together with any other Collateral Component, the “**Original Collateral**”).

The Original Collateral in respect of the Series of Notes will be specified in the applicable Final Terms. Each Collateral Component Amount expressed in USD, EUR, GBP or CHF (or any other applicable currency) shall be determined by the Dealer as follows:

- (a) any USD amounts shall be determined by reference to (x) the daily fixing rate of exchange of the number of SEK per EUR 1 divided by (y) the daily fixing rate of exchange of the number of USD per EUR 1, rounded to four decimal places, each such rate as published on Reuters page ECB37 at 14:15 CET on the Collateral Event Observation Start Date specified in the applicable Final Terms;
- (b) any EUR amounts shall be determined by reference to the daily fixing rate of exchange of the number of SEK per EUR 1, rounded to four decimal places, each such rate as published on Reuters page ECB37 at 14:15 CET on the Collateral Event Observation Start Date specified in the applicable Final Terms;
- (c) any GBP amounts shall be determined by reference to the daily fixing rate of (x) the daily fixing rate of exchange of the number of SEK per EUR 1 divided by (y) the daily fixing rate of exchange of the number of GBP per EUR 1, rounded to four decimal places, each such rate as published on Reuters page ECB37 at 14:15 CET on the relevant Reuters page on the Collateral Event Observation Start Date specified in the applicable Final Terms; and
- (d) any CHF amounts shall be determined by reference to the daily fixing rate of (x) the daily fixing rate of exchange of the number of SEK per EUR 1 divided by (y) the daily fixing rate of exchange of the number of CHF per EUR 1, rounded to four decimal places, each such rate as published on Reuters page ECB37 at 14:15 CET on the relevant Reuters page on the Collateral Event Observation Start Date specified in the applicable Final Terms.

The Collateral Components and Original Collateral Obligors will be determined by the Dealer on the Collateral Event Observation Start Date and notified to the Noteholders on or about the Issue Date.

In addition, under the Credit Support Annex in respect of the Swap Agreement, the Swap Counterparty may deliver to the Custodian (on behalf of the Issuer) certain securities meeting criteria set out in the Credit Support Annex in respect of the Issuer’s exposure to the Swap Counterparty. For so long as the Custodian (on behalf of the Issuer) is holding any such securities, they will comprise underlying assets for

the Notes and Collateral. Similarly, if the Swap Counterparty has an exposure to the Issuer, the Issuer may be required to deliver some or all of the Original Collateral to the Swap Counterparty under the Credit Support Annex, in which case such assets as delivered cease to be underlying assets for the Notes.

**Is the scheduled return on each Class of Notes expected to be the same?**

No. Each Note of a Class will redeem on its scheduled maturity date at the Final Redemption Amount (as applicable) or the final Instalment Amount, and if the Additional Payout Amount Payment Date is specified in the Final Terms as the Maturity Date, then *plus* any Additional Payout Amount (linked to the Fund Swap Transaction, the Equity Swap Transaction or the Class Equity Original Collateral relating to such Class of Notes and as described below). Unless otherwise specified in the applicable Final Terms, the Redemption Percentage will be equal to 100%.

The performance of or return on the Fund Swap Transaction (referencing the Fund), the Equity Swap Transaction (referencing the relevant Class Equity Basket or Class Equity Index Basket) and the Class Equity Original Collateral (referencing the Fund Basket) (as applicable) may vary between Classes. As a result, one or more Classes of Notes may perform better or worse than any other Class of Notes.

**When are the Notes scheduled to mature if not redeemed early?**

The scheduled maturity date of the Notes of a Series will be specified in the applicable Final Terms. However, the final maturity of a Class of Notes may be extended beyond this date (i) as a result of any postponement in the settlement of the Fund Swap Transaction, Equity Swap Transaction or Class Equity Original Collateral (as applicable) relating to the relevant Class in accordance with its terms, or (ii) as a result of any Potential Collateral Event in respect of a Collateral Component.

**Do the Notes redeem at par on the Maturity Date?**

If the Ordinary Fee Arrangement is specified as applicable in the applicable Final Terms and the Additional Payout Amount Payment Date is specified as the Maturity Date, in respect of each Class of Notes:

- (a) if Redemption by Instalments is specified as not applicable in the applicable Final Terms, it is expected that, on the Maturity Date, provided that no Early Redemption Event or Potential Collateral Event has occurred, each Note of such Class having an outstanding nominal amount equal to SEK 10,000 will be redeemed on the Maturity Date by payment of:
  - (i) an amount in SEK being the *product of* (x) SEK 10,000 and (y) the applicable Redemption Percentage; and
  - (ii) an Additional Payout Amount (if any), being its *pro rata* share of an amount (if any) equal to (x) the Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Fund Swap referencing the Fund (in the case of a Fund-Linked Class of Notes), (y) the Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction referencing the Class Equity Basket or Class Equity Index Basket (as applicable) (in the case of an Equity-Linked Class or Equity Index-Linked Class of Notes) or (z) the Class Equity Original Collateral Redemption Amount receivable by the Issuer under the relevant Class Equity Original Collateral (in the case of a Certificate-Linked Class of Notes); and
- (b) if Redemption by Instalments is specified as applicable in the applicable Final Terms and provided that no Early Redemption Event or Potential Credit Event has occurred, each Note of such Class will be redeemed on the final Instalment Date by the payment of the applicable Instalment Amount and an Additional Payout Amount (if any) as described in paragraph (a)

above.

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms and the Additional Payout Amount Payment Date is specified as the Maturity Date, in respect of each Class of Notes, it is expected that, on the Maturity Date, provided that no Early Redemption Event or Potential Collateral Event has occurred, each Note of such Class having an outstanding nominal amount equal to SEK 10,000 will be redeemed on the Maturity Date by payment of:

- (a) an amount in SEK being the *product of* (x) SEK 10,000, (y) the applicable Redemption Percentage and (z) the applicable final Fee Calculation Factor on the Maturity Date; and
- (b) an Additional Payout Amount (if any), being its *pro rata* share of an amount (if any) equal to (x) the Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Fund Swap referencing the Fund (in the case of a Fund-Linked Class of Notes), (y) the Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Equity Swap Transaction referencing the Class Equity Basket or Class Equity Index Basket (as applicable) (in the case of an Equity-Linked Class or Equity Index-Linked Class of Notes) or (z) the Class Equity Original Collateral Redemption Amount receivable by the Issuer under the relevant Class Equity Original Collateral (in the case of a Certificate-Linked Class of Notes).

Notwithstanding the above, there can be no assurance that the Additional Payout Amount in respect of any Class of Notes will be greater than zero or that no Early Redemption Event will have occurred. If an Early Redemption Event does occur, the return on the Notes will be equal to (i) where the Early Redemption Event is not a Collateral Event, the Early Cash Redemption Amount; and (ii) where the Early Redemption Event is a Collateral Event, the Collateral Event Early Cash Redemption Amount, and in either case may be significantly less than the principal initially invested. Subject to the proviso above, if the Additional Payout Amount in respect of a Class of Notes is zero, a Class of Notes will be redeemed at less than their Outstanding Principal Amount.

**Who is the Swap Counterparty and what is its role?**

The Swap Counterparty will be Credit Suisse International on the Issue Date and it will continue to act as Swap Counterparty until the Maturity Date unless (i) it defaults under the Swap Agreement; (ii) it becomes insolvent; (iii) the Asset Swap Transactions are otherwise capable of being terminated by the Issuer; (iv) the Fund Swap Transaction or the Equity Swap Transaction is otherwise capable of being terminated by the Issuer or (v) a Moody's Ba1/P-3 Downgrade occurs and, in each case, the Swap Counterparty is replaced, at the direction of Garantum Fondkommission AB (or any successor entity thereto) (as Noteholder Facilitator) in accordance with the applicable Final Terms of the Notes within 30 calendar days of such occurrence. There can be no assurance that any such replacement will occur even where such an event has occurred. Where such replacement does not occur within 30 calendar days following any such event (except for a Moody's Ba1/P-3 Downgrade), the Swap Agreement will terminate and the Notes of all Classes will redeem early.

In consideration for the issue of the Notes, the Dealer will procure that, in addition to the sale of the Original Collateral and Equity Original Collateral (if applicable) to the Issuer, the Swap Counterparty will enter into a Swap Agreement with the Issuer governing the Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction in respect of the Notes.

Under the terms of the Swap Agreement, the Swap Counterparty will pay to the Issuer certain amounts that will correspond to those amounts due to be paid on the Notes and the Issuer will pay to the Swap Counterparty certain amounts due to be

paid on the Original Collateral (save that where the redemption date of any Collateral Component falls after the Maturity Date of the Notes, the Issuer shall deliver such Collateral Component to the Swap Counterparty rather than making a payment to the Swap Counterparty).

The Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Fund Swap Transaction is linked to the Fund, and the Equity Swap Transaction is linked to the performance of the Class Equity Basket or the Class Equity Index Basket (as applicable), and the participation applied thereto.

**Is it possible to change a Collateral Component?**

The Collateral Components will be fixed on the Collateral Event Observation Start Date and may not be changed thereafter.

**What happens if a Collateral Event occurs in respect of a Collateral Component?**

Collateral Events that may occur in respect of each Collateral Component consist of the following:

- (a) Original Collateral Call;
- (b) Original Collateral Default;
- (c) Original Collateral Payment Failure; and
- (d) Original Collateral Conversion.

The applicable Collateral Events will be specified in the Final Terms. A more detailed description of the Collateral Events is set out in the section of this Base Prospectus entitled “*Transaction Description*”.

If the Calculation Agent determines that one of the above Collateral Events has occurred with respect to any Collateral Component (such Collateral Component, being the Affected Collateral Component), then:

- (a) the Calculation Agent shall determine the relevant value of the Asset Swap Transactions relating to each Class of Notes subject to certain assumptions;
- (b) the Affected Collateral Component shall be liquidated by the Disposal Agent;
- (c) each Note will be partially redeemed on the Cash Redemption Date by payment to each Noteholder of its Collateral Event Early Cash Redemption Amount; and
- (d) the outstanding nominal amount of each Note of a Class shall be reduced:
  - (i) if Redemption by Instalments is specified as not applicable in the applicable Final Terms, by an amount equal to the *product of* (X) the Weighting of the Affected Collateral Component, and (Y) the Specified Denomination of such Note; and
  - (ii) if Redemption by Instalments is specified as applicable in the applicable Final Terms, to an amount equal to the *product of* (X) 100% minus the aggregate Weighting of all Affected Collateral Components for which the relevant Collateral Event Early Cash Redemption Amount has been paid, (Y) 100% minus the aggregate Instalment Percentages in respect of all Instalment Dates for which the relevant Instalment Amount has been paid and (Z) the Specified Denomination of such Note,

in each case, save that where the Affected Collateral Component is the sole Collateral Component, the outstanding nominal amount of each Note shall be reduced to SEK 1 (such SEK 1 remaining outstanding until the Additional Payout Amount Payment Date solely for the purposes of keeping the Notes of such Class outstanding in the event that any Additional Payout Amount is payable under with

respect to such Class).

The Collateral Event Early Cash Redemption Amount means, in respect of each Note of each Class, an amount determined by the Calculation Agent equal to its *pro rata* share of (i) the proceeds of the liquidation of the Affected Collateral Component attributable to such Class of Notes *plus* (ii) any Partial Class Asset Swap Gain *minus* (iii) any Partial Class Asset Swap Loss.

**What is the difference between the Notes and the Original Collateral?**

The Notes give the investor exposure to the credit risk of the Original Collateral without having to own the Original Collateral or a bond or other type of debt obligation of the Original Collateral Obligors. The Original Collateral Obligors are not a party to the Notes nor do the Original Collateral Obligors have a direct involvement in the issue of the Notes or the entry into the Swap Agreement, and an investor will not be able to claim against the Original Collateral Obligors for any losses it suffers from a Collateral Event of a Collateral Component.

In addition to the credit risk of the Original Collateral Obligors to which the Notes are linked, an investor will also be exposed to credit risk in relation to the Agents, the Custodian and the Swap Counterparty, so even if the Original Collateral Obligors are performing well, an investor may still suffer a loss under the Notes as a result of these other credit risks. The Notes also give the investor fund-linked exposure to the Fund, equity-linked exposure to the Class Equity Basket, equity-index linked exposure to the Class Equity Index Basket or certificate-linked exposure to the Fund Basket, as applicable.

**What determines the amount of any Additional Payout Amount payable under the Notes?**

The Additional Payout Amount payable in respect of each Fund-Linked, Equity-Linked or Equity Index-Linked Class of Notes will be determined by the Swap Counterparty Equity Final Exchange Amount receivable by the Issuer under the Fund Swap Transaction or the Equity Swap Transaction (as applicable) related to that Class of Notes.

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, the Swap Counterparty Equity Final Exchange Amount relating to the relevant Class of Notes takes into account the application of the applicable Fee Calculation Factor as at the Additional Payout Amount Payment Date and the deduction of the Performance Fee (if any) payable in respect of such Class of Notes.

The Additional Payout Amount payable in respect of each Certificate-Linked Class of Notes will be determined by the Class Equity Original Collateral receivable by the Issuer under the relevant Class Equity Original Collateral.

In respect of each Note of a Class, its *pro rata* share of the Swap Counterparty Equity Final Exchange Amount or Class Equity Original Collateral Redemption Amount (as applicable) receivable by the Issuer under the Fund Swap Transaction, the Equity Swap Transaction or Class Equity Original Collateral (as applicable) relating to that Class will be the Additional Payout Amount in respect of such Note (which will never be less than zero).

The Swap Counterparty Equity Final Exchange Amount or the Class Equity Original Collateral Redemption Amount (as applicable) is also subject to the level of Participation which in respect of each Class of Notes, will be specified in the applicable Final Terms, and other adjustments described in this section and the sections of this Base Prospectus entitled “*Description of the Fund Swap Transactions*”, “*Description of the Equity Swap Transactions*” and “*Description of the Class Equity Original Collateral*”, so the Additional Payout Amount (if any) payable in respect of each Class of Notes may vary from the actual performance of the Fund, the Class Equity Basket, the Class Equity Index Basket or the Fund Basket

referenced by the Class Equity Original Collateral (as applicable).

**What are the terms and conditions of the Notes?** If the Company issues a Series of Notes, the terms and conditions of such Series will be set out in the Master Conditions contained in the Secured Note Programme Base Prospectus, as (a) amended and supplemented by the Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement contained in this Base Prospectus and (b) completed by the applicable Final Terms.

#### **Additional Payout Amount payable in respect of a Fund-Linked Class of Notes**

**What is the Fund Swap Transaction?** The Fund Swap Transaction is a derivative transaction entered into between the Issuer and the Swap Counterparty which tracks the performance (by reference to the increase or decrease in average value) of a hypothetical investment portfolio consisting of variable exposure to the Fund's performance over the three month STIBOR interest rate on certain dates within a specified period of time in respect of a Fund-Linked Class of Notes. The Fund Swap Transaction allows the Issuer, and therefore the Noteholders of a Fund-Linked Class of Notes, to benefit to the extent of its Participation if the average value of the Fund increases above STIBOR (and as determined by reference to the relevant formula and algorithm). However, as the Swap Counterparty Equity Final Exchange Amount is subject to a floor of zero, if the average value of the Fund does not increase above STIBOR (as determined by reference to the relevant formula and algorithm), this will result in no final payment under the Fund Swap Transaction.

**Which fund will a Fund-Linked Class of Notes be exposed to?** Catella Fondförvaltning AB Special Funds, Catella Hedgefond, SEK retail class (ISIN: SE0001131335; Bloomberg: CATHEDG SS).

**Can there be any change to the fund referenced by the Fund Swap Transaction?** The Fund may be substituted for purposes of the Fund Swap Transaction if a Fund Substitution Event occurs.

**How will the payments under the Fund Swap Transaction be calculated?** The Swap Counterparty Equity Final Exchange Amount determined under the Fund Swap Transaction is calculated by the Calculation Agent under the Swap Agreement using a formula that factors in the performance of the reference portfolio and the Participation for a Fund-Linked Class of Notes.  
A summary of the formula used is set out in the sections of this Base Prospectus entitled "*Transaction Description*" and "*Description of the Fund Swap Transactions*".

**Are there any circumstances where payments under the Fund Swap Transaction may be adjusted, delayed or postponed?** Yes. The terms of the Fund Swap Transaction provide for a number of Fund Events where both the amounts payable under the Fund Swap Transactions and the timing of such payments may be adjusted or postponed and/or which may lead to the early redemption of the Fund Swap Transactions in certain circumstances.  
A Fund Event means, in respect of a Fund, a Disruption Event, Fund Substitution Event, Fund Adjustment Event or Fund Defeasance Event.  
More detail on these factors is provided in the sections of this Base Prospectus entitled "*Risk Factors*", "*Transaction Description*" and "*Description of the Fund Swap Transactions*".

## **Additional Payout Amount payable in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes**

<b>What is the Equity Swap Transaction?</b>	<p>The Equity Swap Transaction is a derivative transaction entered into between the Issuer and the Swap Counterparty which tracks the performance (by reference to the increase or decrease in average value) of a basket comprising a single share or multiple shares (in the case of an Equity-Linked Class of Notes) or a basket comprising a single equity index or multiple equity indices (in the case of an Equity Index-Linked Class of Notes) over certain dates within a specified period of time. The Equity Swap Transaction allows the Issuer, and therefore the Noteholders, to benefit (subject to the applicable Participation) from any increase in the average value of the shares in the Class Equity Basket or in the average value of the equity indices in the Class Equity Index Basket (determined by reference to the relevant formula). However, as the Swap Counterparty Equity Final Exchange Amount is subject to a floor of zero, if the average value of the shares in the Class Equity Basket or the average value of the equity indices in the Class Equity Index Basket (determined by reference to the relevant formula) decreases, this will result in no Swap Counterparty Equity Final Exchange Amount under the Equity Swap Transaction.</p>
<b>Which share or shares will an Equity-Linked Class of Notes be exposed to?</b>	<p>An Equity-Linked Class of Notes will be exposed to, and the Equity Swap Transaction relating to such Class will reference, the performance of a Class Equity Basket comprising a single share or multiple shares.</p> <p>The Class Equity Basket will be set out in the applicable Final Terms.</p>
<b>Which index or indices will an Equity Index-Linked Class of Notes be exposed to?</b>	<p>An Equity Index-Linked Class of Notes will be exposed to, and the Equity Swap Transaction relating to such Class will reference, the performance of a Class Equity Index Basket comprising a single equity index or multiple equity indices.</p> <p>The Class Equity Index Basket will be set out in the applicable Final Terms.</p>
<b>Can there be any change to the share or shares in the Class Equity Basket or to the index or indices of shares in the Class Equity Index Basket?</b>	<p>Yes. With respect to the Class Equity Basket, on the occurrence of certain events in relation to a share or its issuer, including merger events, tender offers, nationalisation, insolvency or delisting, the Calculation Agent under the Swap Agreement may select a new underlying share, which will be deemed to be one of the shares in the Equity Basket in place of the original share, and the Calculation Agent may make adjustments to the terms of the relevant Equity Swap Transaction to account for the economic effect on such Equity Swap Transaction of the event and/or the replacement of the original share. Any replacement share will, to the extent practicable, be selected from the same economic sector, be denominated in the same currency and have a similar market capitalisation to the relevant replaced share.</p> <p>With respect to the Class Equity Index Basket, on the occurrence of certain events in relation to an index, including an Index Modification, Index Cancellation or Index Disruption, the relevant Equity Swap Transaction may be terminated, or the Calculation Agent may make adjustments to the terms of the relevant Equity Swap Transaction to account for the economic effect on such Equity Swap Transaction of the event.</p> <p>These events and associated potential adjustments are described in more detail in the sections of this Base Prospectus entitled “<i>Transaction Description</i>” and “<i>Description of the Equity Swap Transactions</i>”.</p>

**How will the payments under the Equity Swap Transaction be calculated?**

The Swap Counterparty Equity Final Exchange Amount determined under the Equity Swap Transaction is calculated by the Calculation Agent under the Swap Agreement using a formula that factors in the share price performance of the Class Equity Basket or the index level performance of the Class Equity Index Basket (as applicable) and the Participation for each Class of Notes.

A summary of the formula used is set out in the sections of this Base Prospectus entitled “*Transaction Description*” and “*Description of the Equity Swap Transactions*”.

**Which foreign exchange rate will each Class of Notes be exposed to?**

An Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes are exposed to the relative movements in the USD/SEK, EUR/SEK and/or GBP/SEK foreign exchange rates (as applicable) over the term of the Equity Swap Transaction.

It is likely that the foreign exchange rate will fluctuate during the term of the Equity Swap Transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes. If the applicable exchange rate means that there are fewer SEK per unit of USD, EUR or GBP (as applicable), on the FX Business Day following the applicable latest occurring Averaging Date than as at the Trade Date in respect of the Equity Swap Transaction specified in the applicable Final Terms, the Swap Counterparty Equity Final Exchange Amount will be lower than if such amount was determined by reference to the exchange rate as at the initial exchange rate.

If the exchange rate results in there being more SEK per unit of USD, EUR or GBP (as applicable), on the relevant FX Business Day following the applicable latest occurring Averaging Date than as at the Trade Date in respect of the Equity Swap Transaction specified in the applicable Final Terms, the Swap Counterparty Equity Final Exchange Amount will be higher than if such Swap Counterparty Equity Final Exchange Amount was determined by reference to the exchange rate as at the initial exchange rate.

**What is the Participation?**

The Participation reflects the level of exposure to the performance of the Class Equity Basket or Class Equity Index Basket (as applicable) and is a percentage to be determined by the Issuer or the Calculation Agent on its behalf, and notified to the Noteholders on or about the Issue Date, which, in respect of each Class of Notes, will be specified in the applicable Final Terms. A Participation of 100% will track the performance of the Class Equity Basket or Class Equity Index Basket (as applicable). A Participation that is higher or lower than 100% will increase or reduce, respectively, the result of any increase in the average value of the Class Equity Basket or Class Equity Index Basket (as applicable), creating a higher or lower Additional Payout Amount, respectively, than would otherwise have been the case.

**Are there any circumstances where payments under the Equity Swap Transaction may be adjusted, delayed or postponed?**

Yes. The terms of the Equity Swap Transaction provide for a number of circumstances where both the amounts payable under the Equity Swap Transaction and the timing of such payments may be adjusted or postponed and/or which may lead to the early redemption of the Equity Swap Transaction in certain circumstances.

These include, among others, as a result of:

- (a) the occurrence of certain market disruption events in respect of the stock exchanges relating to any share referenced by the Class Equity Basket or any index referenced by the Class Equity Index Basket (as applicable);
- (b) the occurrence of certain Additional Disruption Events referenced in the Equity Swap Transaction; and/or

- (c) the occurrence of merger events, tender offers, delisting events, nationalisation or insolvency of any of the shares (or issuers thereof).

More detail on these factors is provided in the sections of this Base Prospectus entitled “*Risk Factors*”, “*Transaction Description*” and “*Description of the Equity Swap Transactions*”.

## Additional Payout Amount in respect of a Certificate-Linked Class of Notes

### What is the Class Equity Original Collateral?

The Class Equity Original Collateral comprises UBS Gearing Certificates with an aggregate nominal amount equal to the Initial Aggregate Class Nominal Amount of a Certificate-Linked Class of Notes linked to a basket of funds, issued by UBS AG. The Class Equity Original Collateral allows the Issuer, and therefore the Noteholders of such Class, to benefit from any average positive performance of the funds, as adjusted by the target volatility strategy, determined by reference to the relevant formula. As the average performance of the funds is subject to a floor of zero, if the average performance of the funds is less than or equal to zero (determined by reference to the formula), this will result in no final payment under the Class Equity Original Collateral.

### What is the difference between the Notes and a bond issued by the Equity Original Collateral Obligor?

The Certificate-Linked Class of Notes give the investor exposure to the Class Equity Original Collateral without having to own the Class Equity Original Collateral, a bond or any other type of debt obligation of the Equity Original Collateral Obligor. The Equity Original Collateral Obligor itself is not a party to the Notes nor does the Equity Original Collateral Obligor have a direct involvement in the issue of the Notes or the entry into the Swap Agreement, and an investor will not be able to claim against the Equity Original Collateral Obligor for any losses it suffers from a Collateral Event in respect of the Class Equity Original Collateral.

In addition to the credit risk of the Equity Original Collateral Obligor, an investor will also be exposed to credit risk in relation to the Original Collateral Obligors the Agents, the Custodian and the Swap Counterparty, so even if the Class Equity Original Collateral is performing well, an investor may still suffer a loss under the Notes as a result of these other credit risks.

### Which funds will a Certificate-Linked Class of Notes be exposed to?

The Class Equity Original Collateral references the performance of a basket of funds. Therefore, the Certificate-Linked Class of Notes will be exposed to the performance of funds comprised in the Fund Basket.

The Fund Basket for the Class Equity Original Collateral is set out in the section of this Base Prospectus entitled “*Transaction Description*” and in the final terms of the Class Equity Original Collateral (the “**Class Equity Original Collateral Final Terms**”), set out in the section of this Base Prospectus entitled “Description of the Class Equity Original Collateral”.

### Can there be any change to the funds in the basket?

Yes. With respect to the Fund Basket, in relation to a fund or its manager, the Equity Original Collateral Obligor and UBS AG in its role as the Calculation Agent under the Class Equity Original Collateral (the “**Equity Original Collateral Calculation Agent**”) may determine a certain potential adjustment event has occurred in respect of a fund and is material and adversely affects the fund or the calculation of the net asset value of the fund. If the Equity Original Collateral Obligor and the Equity Original Collateral Calculation Agent do determine that such an event has occurred, they may make adjustments to any calculation methods or use reasonable efforts to select one or more alternative funds and replace the fund with such fund(s), as more fully described in the terms of the Class Equity Original Collateral.

These events and associated potential adjustments are described in more detail in the terms of the Class Equity Original Collateral.

**How will the payments under the Class Equity Original Collateral be calculated?**

The Class Equity Original Collateral Redemption Amount determined under the Class Equity Original Collateral is calculated by the Equity Original Collateral Calculation Agent in accordance with the terms of the Class Equity Original Collateral using a formula that factors in the target volatility strategy, the performance of each fund comprised in the basket and the Participation.

A summary of the formula used is set out in the section of this Base Prospectus entitled “*Transaction Description*” and the formula is set out in the Class Equity Original Collateral Final Terms.

**What is the Participation?**

The Participation reflects the level of exposure to the performance of the Fund Basket in respect of the relevant Class Equity Original Collateral and is a percentage determined by the Equity Original Collateral Obligor, and notified to the Issuer, following which it will be notified to the Noteholders, on or about the Issue Date. A Participation of 100% will track the positive performance of the Fund Basket. A Participation that is higher or lower than 100% will increase or reduce, respectively, the result of any increase in the average value of the Fund Basket, creating a higher or lower Additional Payout Amount in respect of the relevant Class, respectively, than would otherwise have been the case.

**Are there any circumstances where payments under the Class Equity Original Collateral may be adjusted, delayed or postponed?**

Yes. The terms of the Class Equity Original Collateral provide for a number of circumstances where both the amounts payable under the Class Equity Original Collateral and the timing of such payments may be adjusted or postponed and/or which may lead to the early redemption of the Class Equity Original Collateral in certain circumstances.

These include, among others, as a result of:

- (a) the occurrence of certain market disruption events in respect of the funds in the Fund Basket;
- (b) the occurrence of certain Potential Disruption Events (as defined in the terms of the Class Equity Original Collateral); and/or
- (c) delays in the settlement of a notional investor’s investment in any of the funds.

More detail on these factors is provided in the sections of this Base Prospectus entitled “*Risk Factors*”, “*Transaction Description*” and “*Description of the Class Equity Original Collateral*”.

## **Additional Questions and Answers**

**Who is the Calculation Agent?**

Credit Suisse International will act as Calculation Agent for the Notes and the Swap Agreement for so long as it maintains the role of Swap Counterparty (and, accordingly, each of the Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction thereunder).

**What is the role of the Calculation Agent and the Issuer in deciding certain issues in relation to the**

The Calculation Agent may exercise certain discretions and make certain determinations relating to the Notes, including (but not limited to) the following determination of whether a Collateral Event or a Potential Collateral Event has occurred with respect to a Collateral Component.

Noteholders should note that any determination and/or calculation by the Calculation Agent will, in the absence of manifest error, be final and binding on the Trustee and

<b>Notes</b>	Noteholders.
<b>Can the Notes redeem in full prior to the Maturity Date?</b>	<p>Yes. This may occur in respect of a Class of Notes in any of the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) the occurrence of certain insolvency events in respect of the Swap Counterparty, the occurrence of an Event of Default or a Termination Event (each as defined in the Swap Agreement), the occurrence of a Termination Event (as defined in the Swap Agreement) in respect of any Asset Swap Transaction, Fund Swap Transaction or Equity Swap Transaction where the Issuer has the right to terminate such transaction or the occurrence of certain credit rating downgrading or withdrawal events in respect of the Swap Counterparty, no replacement Swap Counterparty is appointed within 30 calendar days of such event;</li> <li>(b) certain tax events occur in respect of payments due by the Issuer under the Notes of all Classes, but not instances where (x) withholding or deduction of taxes on the Notes arises solely in respect of FATCA; (y) withholding or deduction of taxes on the Notes arises solely as a result of the Noteholder's connection with the jurisdiction of incorporation of the Issuer (otherwise than by reason of the holding of any Note or receiving any payment in respect thereof); and (z) a withholding or deduction is imposed pursuant to European Council Directive 2003/48/EC (or any other directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000);</li> <li>(c) due to the adoption of, or any change in, any applicable law after the Issue Date, or 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 after such date, it becomes unlawful for the Issuer (i) to perform any absolute or contingent obligation to make a payment or delivery in respect of the Notes or any agreement entered into in connection with the Notes, (ii) to hold any Collateral or to receive a payment or delivery in respect of any Collateral or (iii) to comply with any other material provision of any agreement entered into in connection with the Notes;</li> <li>(d) an Event of Default occurs in respect of such Class of Notes; or</li> <li>(e) the Trustee enforces the security following the occurrence of an Enforcement Event in respect of any other Class of Notes.</li> </ul> <p>Upon the occurrence of one of the events listed above, the Notes of each Class held by a Noteholder will be redeemed by payment to such holder of a <i>pro rata</i> share of the relevant Early Cash Redemption Amount applicable to such Class. A description of the calculation of the Early Cash Redemption Amount is set out in the section of this Base Prospectus entitled "<i>Description of the Swap Agreement</i>".</p>
<b>Will the Notes be rated?</b>	No. The Notes are not rated by any rating agency.
<b>Will there be a secondary market in the Notes?</b>	Credit Suisse Securities (Europe) Limited, Credit Suisse International, Credit Suisse AG, or any of their respective agents may purchase Notes subject to all regulatory requirements and the internal policies and procedures of Credit Suisse Securities (Europe) Limited, Credit Suisse International, Credit Suisse AG or such agent (as applicable). However, no assurance is given that this will be the case and investors should be prepared to retain the Notes until their maturity.
<b>What tax will I have to pay and</b>	General information relating to certain aspects of Luxembourg, Swedish and Irish taxation, to the extent applicable to you, is set out under the headings " <i>Luxembourg</i>

**how will tax affect payments made to me?**

*Taxation*”, “*Swedish Taxation*” and “*Irish Taxation*” in this Base Prospectus.

In addition, general information relating to certain aspects of United Kingdom and Swiss taxation, to the extent applicable to you, is set out under the heading “*Taxation*” in the Secured Note Programme Base Prospectus.

If withholding taxes are imposed on payments under the Notes (as described in more detail in the terms and conditions of the Notes), the Issuer will not pay any additional amounts to “gross-up” such payments.

The Issuer will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment (including any stamp or transfer tax) which may arise as a result of the ownership, transfer, exercise or enforcement of any Note by any person and all payments made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. For the avoidance of doubt, the Issuer will not assume any responsibility for such withholding or deduction. If any such taxes apply (subject to certain exceptions including, but not limited to where withholding or deduction of taxes on the Notes arises solely in respect of FATCA), the Notes will be redeemed early as described under “*Can the Notes redeem in full prior to the Maturity Date?*” above and elsewhere in this Base Prospectus.

Noteholders must also carefully review, and understand, the risk factor in the section of this Base Prospectus entitled “*Risk Factors*” under the heading “*FATCA and the possibility of U.S. withholding tax on payments*”.

The tax treatment of the Notes for individual Noteholders may vary significantly. The general information regarding taxation set out in this Base Prospectus and the Secured Note Programme Base Prospectus does not consider the implications of a holding of the Notes for individual Noteholders based upon their specific circumstances. Accordingly, you must consult with your tax advisers (along with your legal and financial advisers) prior to making an investment in any of the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following sections of the base prospectus dated 4 September 2015 relating to the Secured Note Programme of the Company (the “**Secured Note Programme Base Prospectus**”), which has previously been published and has been (a) filed with and approved by and the Central Bank of Ireland and (b) filed with the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”):

<i>Section</i>	<i>Page</i>
<i>Risk Factors</i>	18
<i>Overview of the Programme</i>	64
<i>Questions and Answers</i>	77
<i>Master Conditions</i>	95
<i>Summary of Provisions Relating to the Notes While in Global Form</i>	237
<i>Description of the Company</i>	245
<i>Articles of Association</i>	249
<i>Subscription and Sale</i>	266

Other than the sections set out in the table above, no other sections of the Secured Note Programme Base Prospectus are incorporated into this Base Prospectus by reference.

In the event of any inconsistency between the applicable Final Terms and this Base Prospectus on the one hand, and the Secured Note Programme Base Prospectus (including the Master Conditions set out therein) on the other, the applicable Final Terms and this Base Prospectus will prevail. The Secured Note Programme Base Prospectus is available for viewing at the following link:

[http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_f1058741-057c-4d37-8f67-ac45bec35c48.PDF?v=982015](http://www.ise.ie/debt_documents/Base%20Prospectus_f1058741-057c-4d37-8f67-ac45bec35c48.PDF?v=982015)

The audited financial statements of the Issuer for the financial year ended 31 December 2013 (the “**2013 Accounts**”) are incorporated in, and form a part of this Base Prospectus.

The 2013 Accounts are available at the following link:

<http://www.argentumcapital.lu/pdfs/financial/2013-12-31%20Argentum%20Financial%20Statements%20FULL%20SIGNED.pdf>

The audited financial statements of the Issuer for the financial year ended 31 December 2014 (the “**2014 Accounts**”), are incorporated in, and form a part of this Base Prospectus.

The 2014 Accounts are available at the following link:

[http://www.argentumcapital.lu/pdfs/financial/Argentum\\_Capital\\_SA\\_aud\\_en\\_31122014\\_fully\\_signed.pdf](http://www.argentumcapital.lu/pdfs/financial/Argentum_Capital_SA_aud_en_31122014_fully_signed.pdf)

The audited financial statements of the Issuer for the financial year ended 31 December 2015 (the “**2015 Accounts**”), are incorporated in, and form a part of this Base Prospectus. There has been no material adverse change in the prospects of the Issuer since 31 December 2015, being the date of the Issuer’s last published audited financial statements.

The 2015 Accounts are available at the following link:

<http://www.argentumcapital.lu/pdfs/financial/2015-12-31%20Argentum%20Financial%20Statements.pdf>

The non-incorporated parts of the documents incorporated by reference herein are either not relevant for prospective investors in the Notes or covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Copies of documents incorporated by reference in this Base Prospectus can be obtained from the specified office of the Issuing and Paying Agent for the time being in London. In addition, such documents will be available from the registered office of the Issuer.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of the Notes, prepare a supplement to this Base Prospectus.

## **FUND-LINKED, EQUITY-LINKED, EQUITY INDEX-LINKED AND CERTIFICATE-LINKED NOTES PRODUCT SUPPLEMENT**

### **1. Incorporation and Interpretation**

#### **(a) Application**

This Product Supplement is the “**Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement**”. If a Series of Notes is issued by the Company pursuant to this Base Prospectus, the terms and conditions of such Series shall be the Master Conditions set out in the Base Prospectus dated 4 September 2015 relating to the Secured Note Programme of the Company (the “**Master Conditions**”), as amended and supplemented by the additional conditions set out below (the “**Additional Conditions**”).

This Product Supplement shall constitute a “Product Supplement” as defined in the Master Conditions.

#### **(b) Defined Terms**

Capitalised terms used but not defined in this Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement shall have the meanings given to them in the Master Conditions (as amended and supplemented by the Additional Conditions) or the applicable Final Terms.

Other than with respect to Master Condition 17 (*Limited Recourse and Non-Petition*) and to the extent relevant Master Condition 9(d) (*Determinations and Actions*), to the extent of any inconsistency between the Master Conditions and the Additional Conditions, the Additional Conditions will prevail.

#### **(c) Additional Definitions**

The following definitions shall be read in conjunction with the Additional Conditions and shall, as the case may be, replace the relevant definitions in Master Condition 1(a) (*Definitions*):

“**Additional Payout Amount**” means, in respect of each Note of a Class, its *pro rata* share of an amount equal to:

- (a) in respect of a Fund-Linked Class of Notes, the Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer under the Fund Swap Transaction relating to such Class;
- (b) in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, the Swap Counterparty Equity Final Exchange Amount (if any) receivable by the Issuer under the Equity Swap Transaction relating to such Class; or
- (c) in the case of a Certificate-Linked Class of Notes, the Class Equity Original Collateral Redemption Amount (if any) receivable by the Issuer under the Class Equity Original Collateral relating to such Class,

in each case subject to a minimum of zero.

“**Additional Payout Amount Payment Date**”, in respect of a Class, shall be such date as specified in the applicable Final Terms subject to adjustment in accordance with the applicable Business Day Convention, provided that, if there is any postponement and/or adjustment in relation to the settlement of the relevant Fund Swap Transaction, Equity Swap Transaction or Class Equity Original Collateral (as applicable), the Additional Payout Amount Payment Date shall be the Reference Business Day immediately following the Swap Counterparty Equity Final Exchange Date in respect of the Fund Swap Transaction or the Equity Swap Transaction or the Class Equity Original Collateral Maturity Date in respect of the Class Equity Original Collateral (as applicable).

“**Affected Class Terminated Transaction**” means, in respect of an Early Redeeming Class of Notes and the Swap Agreement, each of the Asset Swap Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to such Early Redeeming Class of Notes entered into under such Swap Agreement.

“**Affected Collateral Component**” has the meaning given to such term in Additional Condition 2(g).

“**Aggregate Nominal Amount**” means, on the Issue Date, the aggregate nominal amount of the Notes of the relevant Series specified in the applicable Final Terms and, on any date thereafter, the aggregate of the Outstanding Principal Amounts of each Class as at such date.

“**Asset Swap Transaction**” means, in respect of a Class of Notes, the Swap Transaction in relation to such Class which is an asset swap transaction.

“**Class Collateral**” means, in respect of a Class, the proportion of the Original Collateral equal to the aggregate of the Class Collateral Component Amounts relating to such Class.

“**Class Collateral Component Amount**” has the meaning given to it in Additional Condition 2(b).

“**Class Equity Original Collateral**” means, in connection with the issue of a Certificate-Linked Class of Notes, the Issuer’s rights, title and/or interests in and to one or more transferable securities specified in the Final Terms as forming part of the Class Equity Original Collateral and issued by or representing obligations of one or more persons.

The term “**Class Equity Original Collateral**” shall include the rights, title and/or interests in and to (x) any further Class Equity Original Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series or class thereof with the Notes, (y) any Class Equity Original Collateral acquired by the Issuer by way of substitution or replacement of any Class Equity Original Collateral previously held by it, respectively and (z) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any of the Class Equity Original Collateral is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Class Equity Original Collateral for or on behalf of the Issuer) by virtue of its holding thereof. For the avoidance of doubt Class Equity Original Collateral shall not include any Original Collateral or any CSA Posted Collateral or any other securities, cash or other assets or property transferred or delivered to the Issuer pursuant to the Credit Support Annex, or deriving therefrom.

“**Class Equity Original Collateral Maturity Date**” has the meaning given to the term “Maturity Date” in the terms of the Class Equity Original Collateral.

“**Class Equity Original Collateral Proceeds**” means, in respect of a Certificate-Linked Class of Notes, all cash sums in the Base Currency from the Liquidation of the Class Equity Original Collateral, provided that if such Class Equity Original Collateral has not been Liquidated by the fifth Reference Business Day following the Collateral Event Determination Date, the Class Equity Original Collateral Proceeds in respect of such Class Equity Original Collateral not then Liquidated shall be deemed to be the fair bid-side value of such Class Equity Original Collateral as of such date (as determined by the Calculation Agent) net of any taxes, costs or charges that would be incurred on the sale of the Class Equity Original Collateral.

“**Class Equity Original Collateral Redemption Amount**” has the meaning given to the term “Redemption Amount” in the terms of the Class Equity Original Collateral.

“**Class Swap Transaction**” means, in respect of a Fund-Linked Class, an Equity-Linked Class or an Equity Index-Linked Class of Notes, the relevant Fund Swap Transaction or Equity Swap Transaction (as applicable) in relation to such Class.

“**Class Swap Transaction Termination Event**” means, in respect of a Fund-Linked Class, an Equity-Linked Class or an Equity Index-Linked Class of Notes, the termination or cancellation of the relevant Class Swap Transaction other than as a result of the occurrence of a Swap Termination Event.

“**Class Swap Transaction Termination Payment**” means, in respect of a Fund-Linked Class, an Equity-Linked Class or an Equity Index-Linked Class of Notes, any termination or cancellation payment in the Base Currency which is payable to the Issuer by the Swap Counterparty in respect of the relevant Class Swap Transaction.

“**Collateral Component**” shall be the assets which the Original Collateral comprises as specified in the applicable Final Terms.

“**Collateral Component Currency Equivalent Nominal Amount**” has the meaning given to it in Additional Condition 2(b).

“**Collateral Event Early Cash Redemption Amount**” means, in respect of each Note of a Class, its *pro rata* share of an amount determined by the Calculation Agent equal to: (i) the Affected Class Collateral Proceeds; plus (ii) the Partial Class Asset Swap Gain; minus (iii) the Partial Class Asset Swap Loss.

“**Collateral Event Observation Start Date**”, in respect of a Series, shall be such date as specified in the applicable Final Terms.

“**Collateral FX Rate**” means, in respect of a date:

- (a) if “USD/SEK FX Rate” is applicable, (x) the daily fixing rate of exchange of the number of SEK per EUR 1 divided by (y) the daily fixing rate of exchange of the number of USD per EUR 1, rounded to four decimal places;
- (b) if “EUR/SEK FX Rate” is applicable, the daily fixing rate of exchange of the number of SEK per EUR 1, rounded to four decimal places;
- (c) if “GBP/SEK FX Rate” is applicable, (x) the daily fixing rate of the exchange of the number of SEK per EUR 1 divided by (y) the daily fixing rate of exchange of the number of GBP per EUR 1, rounded to four decimal places;
- (d) if “CHF/SEK FX Rate” is applicable, (x) the daily fixing rate of the exchange of the number of SEK per EUR 1 divided by (y) the daily fixing rate of exchange of the number of CHF per EUR 1, rounded to four decimal places; or
- (e) if a Collateral Component is denominated in any other currency as specified in the Final Terms, (x) the daily fixing rate of the exchange of the number of SEK per 1 unit of such currency divided by (y) the daily fixing rate of exchange of the number of such currency per EUR 1, rounded to four decimal places,

each such rate as published on Reuters page ECB37 at 14:15 CET on such date in respect of the determination in respect of USD, EUR, GBP, CHF or any other applicable currency, as published on Reuters page ECB37 at 14:15 CET on such date in respect of such determination, or such successor page or rate, or if any such rate or page is not available, such other rate as selected or determined by the Calculation Agent.

The Collateral FX Rate will be subject to corrections, if any, as a result of information subsequently displayed by the source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its discretion, acting in good faith and in a commercially reasonable manner, that it is not practicable to take into account such correction.

“**Early Redemption Event**” means a Liquidation Event, other than the occurrence of an Early Redemption Commencement Date owing to the occurrence of a Counterparty Bankruptcy Credit Event.

“**Equity Collateral Default**” means any of the Class Equity Original Collateral becomes payable or repayable or becomes capable of being declared due and payable prior to its stated maturity for whatever reason, otherwise than in accordance with their scheduled repayment profile or as a result of the exercise of an issuer option or a holder option unless such option arises as a result of an event of default, a tax event or other similar event.

“**Equity Collateral Event**” means, in respect of a Certificate-Linked Class of Notes, the occurrence of any of the following events which are specified to be applicable in the Final Terms:

- (a) Equity Collateral Default; or
- (b) Equity Collateral Payment Failure.

**“Equity Collateral Payment Failure”** means, in respect of any Class Equity Original Collateral, the failure by the relevant Equity Original Collateral Obligor to make a scheduled payment on the date, in the place and in the currency such payment was originally scheduled to be made (disregarding any terms allowing for non-payment, deferral or adjustments to any scheduled payments and any notice or grace period in respect thereof) in respect of such Class Equity Original Collateral.

**“Equity Swap Transaction”** means, in respect of an Equity-Linked Class or an Equity Index-Linked Class of Notes, the Swap Transaction in relation to such Class which is an equity swap transaction referencing the performance of the applicable Class Equity Basket or Class Equity Index Basket (as applicable).

**“FCF Collateral Liquidation Amount”** means, in respect of any FCF Observation Date and a Class Collateral Component Amount, an amount determined by the Calculation Agent equal to (i) the FCF Differential multiplied by (ii) the Class Collateral Component Amount as at the Issue Date (as adjusted for repurchases and cancellations).

**“FCF Differential”** means, in respect of any FCF Observation Date, a percentage equal to the Fee Calculation Factor applicable at the immediately preceding FCF Observation Date minus the Fee Calculation Factor applicable at such FCF Observation Date. Where the FCF Observation Date is the earliest FCF Observation Date specified in the applicable Final Terms, the Fee Calculation Factor applicable at the immediately preceding FCF Observation Date shall be deemed to be 100%.

**“FCF Observation Date”** means each date specified as such in the applicable Final Terms.

**“Fee Calculation Factor”** means, in respect of the Asset Swap Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable), (i) 100% on the Issue Date and (ii) thereafter the relevant percentage figure corresponding to the date specified in the applicable Final Terms, reflecting an annual reduction in the relevant notional amount of such swap transaction applicable to payments by the Swap Counterparty to the Issuer.

**“Fee Calculation Factor Differential”** means the difference between 100% and the Relevant Fee Calculation Factor.

**“Final Redemption Amount”** means, in respect of each Note of a Class:

- (a) if the Ordinary Fee Arrangement is applicable, its *pro rata* share of an amount equal to the product of (i) the Outstanding Principal Amount of such Class as at the Reference Business Day immediately preceding the Maturity Date and (ii) the Redemption Percentage; or
- (b) if the Ongoing Fee Arrangement is applicable, its *pro rata* share of an amount equal to the product of (i) the applicable Fee Calculation Factor, (ii) the Outstanding Principal Amount of such Class as at the Reference Business Day immediately preceding the Maturity Date and (iii) the Redemption Percentage.

**“Fund”** means Catella Hedgefond, SEK retail class (ISIN: SE0001131335; Bloomberg: CATHEDG SS).

**“Fund Swap Transaction”** means, in respect of a Fund-Linked Class of Notes, the Swap Transaction in relation to such Class which is a fund swap transaction referencing the performance of the Fund.

**“Original Collateral Price”** means, unless otherwise specified in the applicable Final Terms:

- (a) if the Ordinary Fee Arrangement is applicable, an amount equal to (i) the issue proceeds of the Notes plus (where the Swap Agreement is valuable to the Swap Counterparty) or minus (where the Swap Agreement is valuable to the Issuer) (ii) the value of the Swap Agreement as at the Issue Date minus (iii) the price of the Class Equity Original Collateral (if applicable) minus (iv) the total commission payable by the Issuer to the Dealer in respect of the issue of the Notes; or
- (b) if the Ongoing Fee Arrangement is applicable, an amount equal to (i) the issue proceeds of the Notes plus (where the Swap Agreement is valuable to the Swap Counterparty) or minus

(where the Swap Agreement is valuable to the Issuer) (ii) the value of the Swap Agreement as at the Issue Date minus (iii) the price of the Class Equity Original Collateral (if applicable).

**“Outstanding Principal Amount”** means, in respect of each Class, (i) as at the Issue Date, the Initial Class Aggregate Nominal Amount; and (ii) thereafter, the aggregate principal amount of such Class outstanding from time to time, determined and reduced as such in accordance with Additional Condition 2(g) and Master Condition 8(c) (*Redemption in Part following a Collateral Event*).

**“Partial Class Asset Swap Gain”** means (i) where the Partial Class Asset Swap Value would be negative (and therefore payable to the Issuer), the absolute value of the Partial Class Asset Swap Value, or (ii) otherwise, zero.

**“Partial Class Asset Swap Loss”** means (i) where the Partial Class Asset Swap Value would be positive (and therefore payable to the Swap Counterparty), the value of the Partial Class Asset Swap Value, or (ii) otherwise, zero.

**“Partial Class Asset Swap Value”** means, for the purposes of the Collateral Event Valuation Date with respect to a Class of Notes, an amount determined by the Calculation Agent in SEK equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement that would be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer under the Swap Agreement upon a termination of the Swap Agreement (excluding the Asset Swap Transactions not relating to the relevant Class and, if applicable, the Fund Swap Transaction and the Equity Swap Transaction) on the Collateral Event Valuation Date. Such Early Termination Amount shall be determined on the basis that:

- (a) the Swap Counterparty is not the Affected Party;
- (b) the Base Currency is SEK;
- (c) the Asset Swap Transaction relating to such Class is deemed to relate to (a) in respect of the payments due from the Swap Counterparty to the Issuer, a nominal amount of Notes equal to the product of the Outstanding Principal Amount of such Class and the Weighting of the Affected Collateral Component and (b) in respect of the payments due from the Issuer to the Swap Counterparty, the nominal amount of the Class relating to the Affected Collateral Component only;
- (d) the Swap Counterparty’s claim to any Early Termination Amount payable to the Issuer shall be limited to the prevailing market value of the Original Collateral in respect of such Class at that time that corresponds to the Affected Collateral Component;
- (e) the Calculation Agent is the Determining Party (as defined in the Swap Agreement) and Section 6(e)(ii)(1) of the Swap Agreement applies but without reference to Section 6(e)(ii)(3) thereof;
- (f) the Swap Agreement is deemed for this purpose to comprise only the Asset Swap Transaction relating to the relevant Class and the portion of the Credit Support Balance of the Issuer relating thereto and shall be deemed to exclude, for the avoidance of doubt, the Fund Swap Transaction (in the case of a Fund-Linked Class of Notes) and the Equity Swap Transaction (in the case of an Equity-Linked Class of Notes or an Equity Index-Linked Class of), as applicable, and the Asset Swap Transaction not relating to the relevant Class;
- (g) where the Issuer has a Credit Support Balance (as defined in the Swap Agreement) under the Credit Support Annex, a proportion of such Credit Support Balance determined to relate to the Asset Swap Transaction for the relevant Class shall be taken into account in determining an Unpaid Amount; and
- (h) the portion of the Party B Payment Amounts relating to the payment of interest scheduled to be paid in respect of the Affected Collateral Component as at the Collateral Event Observation Start Date shall be valued taking into account that such portion would have been

payable in whole to the Swap Counterparty up to, and including, the Maturity Date had the relevant Collateral Event not occurred.

“**Potential Affected Collateral Component**” has the meaning given to such term in Master Condition 8(o) (*Suspension of Payments*).

“**Potential Collateral Event**” has the meaning given to such term in Master Condition 8(o) (*Suspension of Payments*).

“**Redemption Percentage**”, in respect of a Class, shall be such percentage to be determined by the Issuer as specified in the applicable Final Terms.

“**Relevant Fee Calculation Factor**” means, in respect of a Fee Calculation Factor relating to a Fund-Linked Class of Notes, an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes (as applicable), the applicable Fee Calculation Factor on the Additional Payout Amount Payment Date of such Class of Notes.

“**Replacement Event**” has the meaning given to such term in Additional Condition 6(b).

“**Swap Counterparty Equity Final Exchange Amount**”, in respect of a Class, has the meaning given to such term in the terms of the Fund Swap Transaction (in the case of a Fund-Linked Class) or the Equity Swap Transaction (in the case of an Equity-Linked Class of Notes or an Equity Index-Linked Class of) relating to such Class.

“**Swap Counterparty Equity Final Exchange Date**”, in respect of each Class, has the meaning given to such term in the terms of the Fund Swap Transaction (in the case of a Fund-Linked Class) or the Equity Swap Transaction (in the case of an Equity-Linked Class of Notes or an Equity Index-Linked Class of) relating to such Class.

“**Swap Counterparty Event**” means, in accordance with the terms of the Swap Agreement, the occurrence of an Event of Default (as defined in the Swap Agreement) with respect to the Swap Counterparty.

“**Swap Termination Event**” means, in respect of each Class, that an Early Termination Date in respect of the Asset Swap Transaction and the Fund Swap Transaction (in the case of a Fund-Linked Class of Notes) or the Equity Swap Transaction (in the case of an Equity-Linked Class of Notes or an Equity Index-Linked Class of) relating to such Class, as applicable, has been designated or deemed to have been designated by the Issuer or the Swap Counterparty, as applicable, under the Swap Agreement for any reason other than (i) as a result of the occurrence of a Swap Counterparty Event or (ii) as a result of the occurrence of an Early Redemption Commencement Date in respect of the Notes other than pursuant to Master Condition 8(f) (*Redemption for Termination of Swap Agreement*).

“**Tradeable Amount**” means, in respect of a Collateral Component, an integral multiple of the incremental unit in which the denomination of such Collateral Component may be expressed, provided that such amount is capable of being transferred through the applicable trading or settlement system.

## 2. Collateral Components and Collateral Events

### (a) General

For the purposes of each Series of Notes, “Original Collateral” shall be construed to include any Original Collateral that is transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex.

The definition of “Identical Collateral” shall be deleted in its entirety and all references to “Identical Collateral” throughout the Master Conditions shall be ignored.

(b) **Class Collateral Component Amount**

A nominal amount of each Collateral Component shall be determined for the purpose of each Class (each, a “**Class Collateral Component Amount**”) by the Dealer on the Collateral Event Observation Start Date as follows:

- (i) an amount (the “**Available Currency Amount**”) will be determined in the corresponding Collateral Component Currency (as specified in the applicable Final Terms for the relevant Collateral Component) equal to the quotient of:
  - (A) the product of (x) the net issue proceeds of such Class of Notes and (y) the corresponding Weighting (as specified in the applicable Final Terms for the relevant Collateral Component); and
  - (B) the Collateral FX Rate (as at the Business Day immediately preceding the Collateral Event Observation Start Date on which date such Collateral FX Rate may be determined by the Dealer);
- (ii) the Dealer shall also determine in a commercially reasonable manner on the Collateral Event Observation Start Date the price (including any interest that has accrued since the most recent interest payment) at which it would be able to purchase a nominal amount of the relevant Collateral Component using the Available Currency Amount, such price to be expressed as a percentage of the nominal amount of such Collateral Component (the “**Dirty Price**”);
- (iii) the maximum nominal amount of such Collateral Component that could be purchased by the Dealer at the Dirty Price using the Available Currency Amount shall then be determined as the quotient of:
  - (A) the Available Currency Amount; and
  - (B) the Dirty Price,with the resulting value then being rounded down to the nearest Tradeable Amount of such Collateral Component (such amount, the “**Base Collateral Component Amount**”);
- (iv) an amount (the “**Collateral Component Currency Equivalent Nominal Amount**”) will be determined in the corresponding Collateral Component Currency (as specified above for the relevant Collateral Component) equal to the quotient of:
  - (A) the product of (x) Initial Class Aggregate Nominal Amount of such Class of Notes and (y) the corresponding Weighting (as specified above for the relevant Collateral Component); and
  - (B) the Collateral FX Rate (as at the Business Day immediately preceding the Collateral Event Observation Start Date on which date such Collateral FX Rate may be determined by the Dealer);
- (v) if the Base Collateral Component Amount is equal to the Collateral Component Currency Equivalent Nominal Amount, the Class Collateral Component Amount will be equal to the Base Collateral Component Amount;
- (vi) if the Base Collateral Component Amount is greater than the Collateral Component Currency Equivalent Nominal Amount, the Dealer may elect for a Class Collateral Component Amount that is a Tradeable Amount of such Collateral Component and that is:
  - (A) not greater than such Base Collateral Component Amount; and
  - (B) not less than such Collateral Component Currency Equivalent Nominal Amount; and
- (vii) if the Base Collateral Component Amount is less than the Collateral Component Currency Equivalent Nominal Amount, the Dealer may elect for a Class Collateral Component Amount that is a Tradeable Amount of such Collateral Component and that is:
  - (A) not less than such Base Collateral Component Amount; and

- (B) not greater than such Collateral Component Currency Equivalent Nominal Amount;  
and
- (vii) the Asset Swap Transaction in respect of each Class shall reflect the corresponding Base Collateral Component Amounts determined for that Class in accordance with the above.

Without prejudice to the foregoing, the Dealer may determine in a commercially reasonable manner, having taken into account (without limitation) the Tradeable Amount of the relevant Collateral Component and the Initial Class Aggregate Nominal Amount of each Class, the following on the Collateral Event Observation Start Date:

- (i) the aggregate nominal amount of each Collateral Component in respect of all Classes within the Series by applying the procedures set out above as if each reference to a Class was a reference to all Classes within the relevant Series; and
- (ii) the portion of such aggregate nominal amount of the relevant Collateral Component attributable to each Class, which portion shall constitute the Class Collateral Component Amount in respect of such Class.

The Issuer shall purchase the Original Collateral at the Original Collateral Price.

**(c) Replacement of Collateral Component**

On or before the Collateral Event Observation Start Date, the Dealer may elect alternative bonds to comprise one or more Collateral Components (each Collateral Component so replaced, a “**Replaced Collateral Component**” and the alternative bond, an “**Alternative Collateral Component**”) subject to the following conditions:

- (i) the Alternative Collateral Component shall be a senior unsecured bond which is admitted to trading on an EEA regulated market or from an issuer which has equity or debt outstanding that has been admitted to trading on an EEA regulated market and shall rank *pari passu* with the Replaced Collateral Component;
- (ii) the Alternative Collateral Component shall be issued by the issuer of the Replaced Collateral Component or by any entity controlled, directly or indirectly, by such issuer, any entity that controls, directly or indirectly, such issuer or any entity directly or indirectly under common control with such issuer of the Replaced Collateral Component. For the purposes of this subparagraph, “control” means ownership of a majority of the voting power of the entity or person;
- (iii) the Alternative Collateral Component shall have a scheduled maturity date no later than two years following the Maturity Date of the Notes;
- (iv) the Alternative Collateral Component shall have a credit rating granted to it by one or more of S&P, Fitch or Moody’s equal to or greater than the credit rating (if any) granted to the Replaced Collateral Component by the relevant credit rating agency; and
- (v) the Dealer shall make decisions with respect to any Replaced Collateral Component and Alternative Collateral Component in a commercially reasonable manner and shall consider, among other things, the ease of access to alternative bonds from the same issuer with the same characteristics, the yield in respect of the Alternative Collateral Component compared with the Replaced Collateral Component, and the permission and economic and operational feasibility of the Dealer sourcing or trading such Replaced Collateral Component and Alternative Collateral Component; and
- (vi) while such determination shall be made solely by the Dealer, it shall consult with the Noteholder Facilitator when making such determination.

The Original Collateral and each Class Collateral Component Amount in respect of each Class of Notes will be fixed on the Collateral Event Observation Start Date and shall be specified in the Issue Deed in respect of the Notes.

(d) **Amended to Master Condition 7(f) (*Interest Payable*)**

Master Condition 7(f) (*Interest Payable*) shall be amended such that the amount of interest payable in respect of any Note for any Interest Accrual Period shall be equal to:

- (i) if the Ordinary Fee Arrangement is applicable, the product of (i) the Rate of Interest, (ii) the outstanding nominal amount of such Note as at the last day of such Interest Accrual Period, (iii) the Redemption Percentage and (iv) if applicable, the Day Count Fraction for such Interest Accrual Period; or
- (ii) if the Ongoing Fee Arrangement is applicable, the product of (i) the Rate of Interest, (ii) the outstanding nominal amount of such Note as at the last day of such Interest Accrual Period, (iii) the Redemption Percentage, (iv) the Fee Calculation Factor as at the last day of such Interest Accrual Period and (v) if applicable, the Day Count Fraction for such Interest Accrual Period.

(e) **Amendment to Master Condition 8(a) (*Final Redemption*)**

Master Condition 8(a) (*Final Redemption*) shall be deleted in its entirety and replaced with the following:

**“Final Redemption**

Provided that no Early Redemption Commencement Date or Early Redemption Date has occurred pursuant to any other Condition in respect of a Note (ignoring, for the avoidance of doubt, any Early Redemption Commencement Date or Early Redemption Date that has occurred as a result of a Collateral Event with respect to a Collateral Component that has resulted in partial redemption of such Note), such Note shall become due and payable on the Maturity Date at its Final Redemption Amount or, in the case of a Note falling within Master Condition 8(b) (*Redemption by Instalments*), its final Instalment Amount, provided that, if (i) the Additional Payout Amount Payment Date is specified in the applicable Final Term as the Maturity Date, (ii) such Additional Payout Amount Payment Date has been postponed and (iii) the Outstanding Principal Amount of the relevant Class of Notes would otherwise be reduced to zero prior to the Additional Payout Amount Payment Date, SEK 1 of each Note of such Class of Notes shall remain outstanding solely to enable any Additional Payout Amount to be payable to the Noteholders of such Class on the Additional Payout Amount Payment Date.

Without prejudice to the foregoing, the holder of each Note shall be entitled to receive the Additional Payout Amount (if any) in respect of such Note on the relevant Additional Payout Amount Payment Date.”

(f) **Amendment to Master Condition 8(d) (*Redemption for Taxation Reasons*), Master Condition 8(f) (*Redemption for Termination of Swap Agreement*), Master Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*), Master Condition 8(h) (*Redemption Following an Illegality Event*), Master Condition 8(i) (*Redemption Following a Regulatory Event*) and Master Condition 8(k) (*Redemption Following the Occurrence of an Event of Default*)**

- (i) Master Condition 8(d) (*Redemption for Taxation Reasons*) and Master Condition 8(k) (*Redemption Following the Occurrence of an Event of Default*) shall each be amended by inserting the words “ignoring, for the avoidance of doubt, any Early Redemption Commencement Date or Early Redemption Date that has occurred as a result of a Collateral Event with respect to a Collateral Component that has resulted in partial redemption of such Note” immediately following the words “(which, for the avoidance of doubt, may have occurred separately pursuant to one or more Master Conditions)”.
- (ii) Master Condition 8(f) (*Redemption for Termination of Swap Agreement*), Master Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*), Master Condition 8(h) (*Redemption Following an Illegality Event*) and Master Condition 8(i) (*Redemption Following a Regulatory Event*) shall each be amended by inserting the words “(ignoring, for the avoidance of doubt, any Early Redemption Commencement Date or Early Redemption Date that has occurred as a result of a Collateral Event with respect to a Collateral

Component that has resulted in partial redemption of such Note)” immediately following the words “in respect of which no Early Redemption Commencement Date or Early Redemption Date has previously occurred pursuant to any other Condition”.

(g) **Amendment to Master Condition 8(c) (*Redemption Following a Collateral Event*)**

Master Condition 8(c) (*Redemption following a Collateral Event*) shall be deleted in its entirety and replaced with the following:

“(c) **Redemption in Part following a Collateral Event**

Provided that no Early Redemption Commencement Date or Early Redemption Date has occurred pursuant to any other Condition (ignoring, for the avoidance of doubt, any Early Redemption Commencement Date that has occurred as a result of a different Collateral Component becoming an Affected Collateral Component), if the Calculation Agent determines that a Collateral Event has occurred with respect to any Collateral Component (such Collateral Component, an “**Affected Collateral Component**”) and gives notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (copied to the Issuing and Paying Agent, the Trustee and the Swap Counterparty) pursuant to the Swap Agreement (the date of such determination being the “**Collateral Event Determination Date**”), then:

- (i) as soon as reasonably practicable, and in any event within the Early Redemption Notification Period commencing on (and including) the Collateral Event Determination Date, the Issuer (or the Issuing and Paying Agent on its behalf, having been instructed by the Issuer or the Calculation Agent) will give an Early Redemption Notice (which shall relate solely to the portion of the Notes being partially redeemed in accordance with this Master Condition 8(c) and the Conditions shall be construed accordingly) to the Noteholders of the determination of the Collateral Event (the date of such notice to the Noteholders being the “**Early Redemption Commencement Date**”), including a description in reasonable detail of the facts relevant to such determination, by forwarding with such Early Redemption Notice a copy of the notice delivered by the Calculation Agent with respect to the Collateral Event Determination Date or the information provided therein;
- (ii) on a date (the “**Collateral Event Valuation Date**”) falling as soon as reasonably practicable within 5 Business Days of the Early Redemption Commencement Date, the Calculation Agent shall, in respect of each Class of Notes, determine the Partial Class Asset Swap Value in respect of the Affected Collateral Component and shall seek quotations from 5 dealers in the market for the Affected Collateral Component;
- (iii) the Affected Collateral Component shall be liquidated on the Collateral Event Valuation Date by selling to the Quotation Dealer who provides the highest quotation;
- (iv) each Note will be partially redeemed on the Early Redemption Date by payment to each Noteholder of its Collateral Event Early Cash Redemption Amount (which may be zero), irrespective of whether the relevant Collateral Event is continuing, and the payment of such amount shall satisfy the Issuer’s obligations in respect of such *pro rata* proportion of each Note, provided that where the Outstanding Principal Amount of a Class of Notes would otherwise be reduced to zero prior to the Additional Payout Amount Payment Date as a result of the occurrence of a Collateral Event, SEK 1 of each Note of such Class of Notes shall remain outstanding solely to enable any Additional Payout Amount to be payable to the Noteholders of such Class on the Additional Payout Amount Payment Date; and
- (v) the outstanding nominal amount of each Note of a Class shall, subject to paragraph (iv) above:

- (A) if Redemption by Instalments is specified as not applicable in the applicable Final Terms, be reduced by an amount equal to the product of (x) the Weighting of the Affected Collateral Component and (y) the Specified Denomination of such Note; or
- (B) if Redemption by Instalments is specified as applicable in the applicable Final Terms, be reduced to an amount equal to the product of (x) 100% minus the aggregate Weighting of all Affected Collateral Components for which the relevant Collateral Event Early Cash Redemption Amount has been paid, (y) 100% minus the aggregate Instalment Percentages in respect of all Instalment Dates for which the relevant Instalment Amount has been paid and (z) the Specified Denomination of such Note,

for all purposes with effect from the relevant Early Redemption Date, unless payment of the relevant Collateral Event Early Cash Redemption Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Collateral Event Early Cash Redemption Amount.”

**(h) Amendment to Master Condition 8(o) (Suspension of Payments)**

Master Condition 8(o) (*Suspension of Payments*) shall be deleted in its entirety and replaced with the following:

**“(o) Suspension of Payments**

If the Calculation Agent determines that facts exist which may (assuming the expiration of any applicable grace period) amount to a Collateral Event with respect of a Collateral Component (a “**Potential Collateral Event**”), no payment of principal shall be made by the Issuer in respect of the proportion of each Note corresponding to such Note’s *pro rata* share of the notional amount of the outstanding principal amount of the Collateral Component to which such suspension relates (such Collateral Component, a “**Potential Affected Collateral Component**”) during the period of ten Reference Business Days following such determination (the “**Suspension Period**”). If, at any time during the Suspension Period, the Calculation Agent determines that a Collateral Event has occurred, then the provisions relating to Condition 8(c) (*Redemption in Part following a Collateral Event*) shall apply. If, on the final Business Day of the Suspension Period, no such determination has been made, then the balance of the principal or interest that would otherwise have been payable in respect of the Potential Affected Collateral Component shall be due on the second Business Day after such final Business Day of the Suspension Period. Noteholders or Couponholders shall not be entitled to a further payment as a consequence of the fact that such payment of such principal or interest is postponed pursuant to this paragraph 8(o).

Notwithstanding the foregoing, if the Calculation Agent determines that the circumstances giving rise to such potential Collateral Event have been remedied (if possible) or no longer exist prior to the end of the applicable grace period such that no related Collateral Event has occurred, then the Issuer shall make any payments that would otherwise have been payable in respect of the Potential Affected Collateral Component on the second Business Day following the date on which the Calculation Agent makes such determination. In determining whether a payment failure has (or may have) occurred, the Calculation Agent may rely on evidence of non-receipt of funds.

The Calculation Agent shall, as soon as reasonably practicable, notify the Issuing and Paying Agent of any suspensions of payments pursuant to this Master Condition 8(o)”.

**3. Class Swap Transaction Termination Events and Equity Collateral Events**

**(a) Consequences of a Class Swap Transaction Termination Event**

In respect of a Fund-Linked Class, an Equity-Linked Class or an Equity Index-Linked Class of Notes, provided that no Early Redemption Commencement Date or Early Redemption Date has occurred

pursuant to any other Condition (ignoring, for the avoidance of doubt, any Early Redemption Commencement Date that has occurred as a result of a Collateral Component becoming an Affected Collateral Component) in respect of a Note of such Class, if the Calculation Agent determines that a Class Swap Transaction Termination Event has occurred with respect to the relevant Class Swap Transaction and gives notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (copied to the Issuing and Paying Agent, the Trustee and the Swap Counterparty) (the date of such determination being the “**Class Swap Transaction Termination Event Determination Date**”), then:

- (i) as soon as reasonably practicable, and in any event within five Reference Business Days commencing on (and including) the Class Swap Transaction Termination Event Determination Date, the Issuer (or the Issuing and Paying Agent on its behalf, having been supplied by the Issuer or the Calculation Agent with the relevant Class Swap Transaction Termination Event Notice) will give a written notice (an “**Class Swap Transaction Termination Event Notice**”) to the Noteholders of the determination of the Class Swap Transaction Termination Event, including a description in reasonable detail of the facts relevant to such determination, by forwarding with such Class Swap Transaction Termination Event Notice a copy of the notice delivered by the Calculation Agent with respect to the Class Swap Transaction Termination Event Determination Date or the information provided therein; and
- (ii) the holder of each Note shall be entitled to receive its *pro rata* share of the Class Swap Transaction Termination Payment on the tenth Reference Business Day following the relevant Class Swap Transaction Termination Event Determination Date (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon), irrespective of whether the relevant Class Swap Transaction Termination Event is continuing. Following the payment of such amount, the holder of such Note shall not be entitled to receive any Additional Payout Amount. If SEK 1 remains outstanding in respect of such Note pursuant to Master Condition 8(c) (*Redemption following a Collateral Event*), the payment of such amount shall satisfy all the Issuer’s obligations under and in relation to such Note.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Class Swap Transaction Termination Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer or the Calculation Agent effectively gives a notice to the Trustee of the occurrence of a Class Swap Transaction Termination Event, the Trustee shall be entitled to rely conclusively on such notice without further investigation.

(b) **Consequences of an Equity Collateral Event**

In respect of a Certificate-Linked Class of Notes, provided that no Early Redemption Commencement Date or Early Redemption Date has occurred pursuant to any other Condition (ignoring, for the avoidance of doubt, any Early Redemption Commencement Date that has occurred as a result of a Collateral Component becoming an Affected Collateral Component) in respect of a Note of such Class, if the Calculation Agent determines that an Equity Collateral Event has occurred with respect to any Class Equity Original Collateral relating to such Class and gives notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (copied to the Issuing and Paying Agent, the Trustee and the Swap Counterparty) (the date of such determination being the “**Equity Collateral Event Determination Date**”), then:

- (i) as soon as reasonably practicable, and in any event within five Reference Business Days commencing on (and including) the Equity Collateral Event Determination Date, the Issuer (or the Issuing and Paying Agent on its behalf, having been supplied by the Issuer or the Calculation Agent with the relevant Equity Collateral Event Notice) will give a written notice (an “**Equity Collateral Event Notice**”) to the Noteholders of the determination of the Equity Collateral Event, including a description in reasonable detail of the facts relevant to such determination, by forwarding with such Equity Collateral Event Notice a copy of the

notice delivered by the Calculation Agent with respect to the Equity Collateral Event Determination Date or the information provided therein; and

- (ii) the holder of each Note shall be entitled to receive its *pro rata* share of the Class Equity Original Collateral Proceeds on the tenth Reference Business Day following the relevant Collateral Event Determination Date (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon), irrespective of whether the relevant Equity Collateral Event is continuing. Following the payment of such amount, the holder of such Note shall not be entitled to receive any Additional Payout Amount. If SEK 1 remains outstanding in respect of such Note pursuant to Master Condition 8(c) (*Redemption following a Collateral Event*), the payment of such amount shall satisfy all the Issuer's obligations under and in relation to such Note.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Equity Collateral Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer or the Calculation Agent effectively gives a notice to the Trustee of the occurrence of an Equity Collateral Event, the Trustee shall be entitled to rely conclusively on such notice without further investigation.

(c) **Amendments to the Master Conditions in respect of Class Equity Original Collateral**

- (i) The Class Equity Original Collateral shall be deemed to be Original Collateral for the purposes of:
  - (A) the definition of "Collateral" set out in Master Condition 1(a) (*Definitions*);
  - (B) the definition of "Original Collateral Tax Event" set out in Master Condition 8(d)(i) (*Redemption for Taxation Reasons*);
  - (C) the provisions of Master Condition 13 (*Liquidation*).
- (ii) Sub-paragraph (i) of Master Condition 8(k) (*Redemption Following the Occurrence of an Event of Default*) shall be amended by inserting the words "an Equity Collateral Event, " after the words "a Collateral Event".

For the avoidance of doubt, payments of principal in respect of the proportion of each Note corresponding to such Note's *pro rata* share of the notional amount of the outstanding principal amount of the Collateral Component which is not a Potential Affected Collateral Component (if any) shall continue to be due and payable, and no Suspension Period shall apply in respect of such unaffected portion of each Note.

**4. Fund, Equity, Equity Index and Certificate Linkages**

**(a) Linkage to be specified in Final Terms**

In respect of a Series of Notes or a Class of a Series of Notes, the Issuer shall specify in the applicable Final Terms whether such Series or Class is (or is deemed to be) a Fund-Linked Class, an Equity-Linked Class, an Equity Index-Linked Class or a Certificate-Linked Class of Notes for the purposes of the Additional Conditions.

**(b) Fund-Linked Classes of Notes**

In respect of a Fund-Linked Class of Notes, the Issuer shall determine the following information in relation to the Fund and specify such in the applicable Final Terms:

- (i) Participation, expressed as a percentage;
- (ii) Initial Valuation Date;
- (iii) Final Valuation Date;
- (iv) Observation Dates;
- (v) Reference Portfolio Value Start Date;

- (vi) Strike Date;
- (vii) Fund Manager NAV Threshold;
- (viii) Minimum Fund Size;
- (ix) Trade Date; and
- (x) Termination Date,

which, in each case, shall reflect the corresponding information applicable to the Fund Swap Transaction relating to such Fund-Linked Class of Notes for the purposes of determining any Additional Payout Amount in respect of such Class.

**(c) Equity-Linked Class of Notes**

In respect of an Equity-Linked Class of Notes, the Issuer shall determine the following information and specify such in the applicable Final Terms:

- (i) Class Equity Basket, which shall be a basket of shares;
- (ii) Participation, expressed as a percentage;
- (iii) Initial Setting Date(s);
- (iv) Averaging Dates;
- (v) FX Factor, if applicable;
- (vi) Trade Date;
- (vii) Termination Date;
- (viii) Equity Final Exchange Amount Calculation Method;
- (ix) Number of Replacements (or NOR); and
- (x) Replacement Level (or RL), expressed as a percentage,

which, in each case, shall reflect the corresponding information applicable to the Equity Swap Transaction relating to such Equity-Linked Class of Notes for the purposes of determining any Additional Payout Amount in respect of such Class.

**(d) Equity Index-Linked Class of Notes**

In respect of an Equity Index-Linked Class of Notes, the Issuer shall determine the following information and specify such in the applicable Final Terms:

- (i) Class Equity Index Basket, which shall be a basket of indices of shares;
- (ii) Participation, expressed as a percentage;
- (iii) Initial Setting Date(s);
- (iv) Averaging Dates;
- (v) FX Factor, if applicable;
- (vi) Trade Date; and
- (vii) Termination Date.

which, in each case, shall reflect the corresponding information applicable to the Equity Swap Transaction relating to such Equity Index-Linked Class of Notes for the purposes of determining any Additional Payout Amount in respect of such Class.

**(e) Certificate-Linked Class of Notes**

In respect of a Certificate-Linked Class of Notes, the Issuer shall determine the following information in respect of the Class Equity Original Collateral and specify such in the applicable Final Terms:

- (i) Participation, expressed as a percentage; and
- (ii) Valuation Averaging Dates.

## **5. Fee Arrangement**

### **(a) Ordinary Fee Arrangement**

If the Ordinary Fee Arrangement is specified as applicable in the applicable Final Terms, the total commission payable by the Issuer to the Dealer in respect of the issue of the Notes will not exceed, unless otherwise agreed and specified in the applicable Final Terms, 6.5% of the Aggregate Nominal Amount of the Notes issued. The Issuer will fund the payment of such commission using a portion of the issue proceeds, which payment will be satisfied by the Issuer's delivery of the Notes to the Dealer in return for receipt of the Original Collateral and the Dealer procuring the Swap Counterparty's entry into the Swap Agreement. The Dealer will use such commission payable by the Issuer to pay a corresponding commission to the Distributor.

### **(b) Ongoing Fee Arrangement**

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms:

- (i) the Dealer is entitled to annual commissions which are payable by the Issuer. These annual commissions will be satisfied through:
  - (A) the notional amount of the Asset Swap Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable) in respect of the relevant Class of Notes for the purposes only of payments by the Swap Counterparty to the Issuer being reduced (and therefore the amount due from the Swap Counterparty under each Asset Swap Transaction and such Final Swap Transaction or Equity Swap Transaction (as applicable) being reduced) by the applicable FCF Differential (which is expected to be approximately 1%) on or around each FCF Observation Date. These reductions have the effect of reducing the obligations of, and therefore releasing value to, the Swap Counterparty, which value the Swap Counterparty will account for to the Dealer in partial satisfaction of the Issuer's obligations to pay the commissions. These reductions are effected through the application of the Fee Calculation Factor (described in paragraphs (iii)(B) and (iii)(C) below) under the terms of the Asset Swap Transactions and the Fund Swap Transaction or the Equity Swap Transaction (as applicable); and
  - (B) to the extent possible, the sale of a portion of each Class Collateral Component Amount on or around each FCF Observation Date equal to the relevant FCF Collateral Liquidation Amount, provided that if the FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount is equal to or greater than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral Component Amount, the Calculation Agent shall notify the Disposal Agent and the Disposal Agent will sell a portion of such Class Collateral Component Amount equal to the FCF Collateral Liquidation Amount (where applicable, rounded down to the nearest integer multiple of the denomination or minimum trading lot) of such Class Collateral Component Amount. If the relevant FCF Collateral Liquidation Amount with respect to a Class Collateral Component Amount is less than the greater of (i) the denomination and (ii) the minimum trading lot of such Class Collateral Component Amount, no such sale shall occur. The Disposal Agent will account to the Dealer for any realised proceeds in partial satisfaction of the Issuer's obligation to pay the commissions;
- (ii) the Dealer is also entitled to a commission payable by the Issuer upon payment by the Swap Counterparty of an amount equal to the relevant Swap Counterparty Equity Final Exchange Amount under each Fund Swap Transaction or Equity Swap Transaction (as applicable), which is satisfied by a deduction of the Performance Fee in the calculation of such amount. The Performance Fee in respect of a Class is equal to 10% of such amount by which the Swap Counterparty Equity Final Exchange Amount (prior to the deduction of such

Performance Fee in its calculation) that would otherwise have been receivable by the Issuer under the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to that Class exceeds an amount equal to the product of (a) the Fee Calculation Factor Differential and (b) the Initial Class Aggregate Nominal Amount of such Class (such amount, the “**Performance Fee Threshold Amount**”). The Swap Counterparty will account to the Dealer for an amount equal to any such Performance Fee in satisfaction of the Issuer’s obligation to pay such additional commission;

- (iii) the commissions will comprise such amounts generated by:
  - (A) the sale of any Original Collateral as described above;
  - (B) the application of the Fee Calculation Factor to the final exchange amount receivable by the Issuer under each Asset Swap Transaction;
  - (C) the application of the Fee Calculation Factor to the notional amount in the calculation of any Swap Counterparty Equity Final Exchange Amount receivable by the Issuer in respect of each Fund Swap Transaction or Equity Swap Transaction (as applicable); and
  - (D) the deduction of any Performance Fee in the calculation of any Swap Counterparty Equity Final Exchange Amount which will ultimately depend, in part, on the Fund Swap Transaction or the Equity Swap Transaction (as applicable) referencing the performance of the Fund, Class Equity Basket or Class Equity Index Basket (as applicable);
- (iv) on each FCF Observation Date, in accordance with paragraphs (iii)(B) and (iii)(C) above, the application of the Fee Calculation Factor decreases the existing final exchange amount of each Asset Swap Transaction and reduces any Additional Payout Amount that would be payable under each Class of Notes. The amounts generated by these reductions are accounted for to the Dealer in respect of commissions payable by the Issuer, together with the sale proceeds in paragraph (iii)(A) above and the Performance Fee in paragraph (iii)(D) above, the latter of which is payable where the Swap Counterparty Equity Final Exchange Amount (prior to the deduction of such Performance Fee in its calculation) that would otherwise have been receivable by the Issuer under the Fund Swap Transaction or the Equity Swap Transaction (as applicable) relating to that Class exceeds the Performance Fee Threshold Amount and is equal to 10% of any amount payable which is in excess of the Performance Fee Threshold Amount;
- (v) the commission payable to the Distributor that corresponds to amounts described in paragraph (iii)(A) above will be paid by the Dealer to the Distributor in respect of the issue of the Notes on the fifth Business Day following the sale of the relevant Original Collateral. The commission payable to the Distributor that corresponds to amounts described in (iii)(B) above will be paid by the Dealer to the Distributor on the fifth Business Day following each FCF Observation Date (as described above). The commissions described in (iii)(C) and (iii)(D) above are payable on the scheduled maturity date of the Notes or, if applicable, the relevant Early Redemption Date of the Notes;
- (vi) in respect of a Class of Notes, where no Class Original Collateral Amount is sold as described above, while the final exchange amount receivable by the Issuer under the corresponding Asset Swap Transaction is reduced by the application of the Fee Calculation Factor, the payments due from the Issuer to the Swap Counterparty under such Asset Swap Transaction will remain the same; and
- (vii) notwithstanding the above, the Dealer and the Distributor have agreed that if any portion of the Notes is held by the Dealer and/or any of its affiliates, the amount required to be paid to the Distributor will be reduced by the proportion which such portion of Notes held by the Dealer and/or its affiliates bears to all of the outstanding Notes.

6. **Redemption for Termination of Swap Agreement and Swap Counterparty Replacement Option**

(a) **Amendment to Master Condition 8(f) (Redemption for Termination of Swap Agreement)**

For the purposes of Master Condition 8(f) (*Redemption for Termination of Swap Agreement*), the reference to Swap Counterparty Event in item (i) of the second paragraph thereof shall be deemed to be deleted and instead refer to the occurrence of a Termination Event (as defined in the Swap Agreement) where the Issuer has the right to designate an Early Termination Date in respect of all outstanding Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction (as applicable) under the Swap Agreement.

(b) **Swap Counterparty Replacement Option**

Upon the occurrence of (i) a Counterparty Bankruptcy Credit Event; (ii) a Swap Counterparty Event (other than a Counterparty Bankruptcy Credit Event); or (iii) a Termination Event (as defined in the Swap Agreement) where the Issuer has the right to designate an Early Termination Date in respect of the Asset Swap Transactions (an “**Asset Swap Termination Event**”); or (iv) a Termination Event (as defined in the Swap Agreement) where the Issuer has the right to designate an Early Termination Date in respect of the Fund Swap Transaction (a “**Fund Swap Termination Event**”) or the Equity Swap Transaction (an “**Equity Swap Termination Event**”); or (v) the long term senior, unsecured rating assigned by Moody’s Investors Service Limited (“**Moody’s**”) to the Swap Counterparty being withdrawn or less than Ba1 or the short term rating assigned by Moody’s to the Swap Counterparty being less than P-3 (any such downgrade or withdrawal, a “**Moody’s Ba1/P-3 Downgrade**” and such event, along with each of a Counterparty Bankruptcy Credit Event, a Swap Counterparty Event (other than a Counterparty Bankruptcy Credit Event), an Asset Swap Termination Event, a Fund Swap Termination Event, an Equity Swap Termination Event and a Moody’s Ba1/P-3 Downgrade, each a “**Replacement Event**”), the Issuer shall not designate an Early Termination Date and shall notify the Noteholder Facilitator as soon as reasonably practicable upon becoming aware of any such occurrence. Upon receipt by the Issuer of written directions (such notice to be copied to the Trustee) (a “**Replacement Counterparty Notice**”) from Garantum Fondkommission AB (or any successor thereto) (in such capacity, the “**Noteholder Facilitator**”) requesting the Issuer to enter into a replacement Swap Agreement in respect of all Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction (the “**Replacement Swap Agreement**”) with a replacement swap counterparty (the “**Replacement Swap Counterparty**”) designated by the Noteholder Facilitator (and, provided that, in the case of a Replacement Event that is a Moody’s Ba1/P-3 Downgrade, the Swap Counterparty has provided its prior written consent to such replacement) the Issuer shall use reasonable efforts to enter into such Replacement Swap Agreement with such Replacement Swap Counterparty; provided that (A) each such Replacement Swap Counterparty is a reputable financial institution with a place of business in London which enters into derivative transactions as part of its ongoing business activities and which has, as a minimum, a long term senior, unsecured rating of Ba1 and/or a short term rating of P-3 (or their equivalent ratings, in each case, as assigned by Moody’s) as of the date the Replacement Swap Agreement is entered into, (B) the Replacement Swap Counterparty must be satisfactory to the Trustee and the Issuer, (C) the price that the Replacement Swap Counterparty is willing to pay to, or receive from the existing Swap Counterparty (the “**Existing Swap Counterparty**”) is reasonably satisfactory to the Existing Swap Counterparty, and (D) where such Replacement Counterparty Notice relates to a Replacement Event other than a Moody’s Ba1/P-3 Downgrade, such Replacement Swap Agreement is entered into within 30 calendar days of the occurrence of the relevant Replacement Event (and provided such Replacement Event is still continuing at such time) (such period, the “**Replacement Period**”).

If the relevant Replacement Swap Agreement is not entered into following a Replacement Event other than a Moody’s Ba1/P-3 Downgrade within the Replacement Period (including where, in such circumstances, no Replacement Counterparty Notice is delivered by the Noteholder Facilitator), the Swap Agreement shall automatically terminate and, if a Swap Termination Event has occurred and no Early Redemption Commencement Date or Early Redemption Event has occurred pursuant to any other applicable Condition, the Issuer shall, as soon as is practicable (or, in any case, within 2 Reference Business Days after the end of the Replacement Period), give an Early Redemption

Notice to the Noteholders (the date on which such Early Redemption Notice is deemed to have been given shall be an “**Early Redemption Commencement Date**”).

Following the delivery of such Early Redemption Notice, each Note shall become due and payable on the related Early Redemption Date. In connection with such redemption of each Note on the Early Redemption Date, the Disposal Agent shall (in accordance with the Agency Agreement) arrange for, and administer the sale of any Eligible Securities delivered by the Swap Counterparty to the Issuer under the Credit Support Annex (and the security created pursuant to the Trust Deed over such Eligible Securities (if any) shall automatically be released for purposes of permitting such sale). Each Class of Notes will be redeemed at their applicable Early Cash Redemption Amount on the relevant Early Redemption Date by payment of such Early Cash Redemption Amount to the Noteholders of such Class on a *pro rata* basis.

Any Replacement Swap Agreement shall be entered into on identical terms as the Swap Agreement (including the relevant Asset Swap Transactions, Fund Swap Transaction and Equity Swap Transactions thereunder), save for such terms as the Issuer and the Replacement Swap Counterparty, acting in good faith, determine are necessary to reflect the replacement of the Existing Swap Counterparty with the Replacement Swap Counterparty.

On the entry into of the Replacement Swap Agreement, the Swap Agreement with the Existing Swap Counterparty shall to the extent of the relevant replacement terminate immediately and:

- (a) the amount (if any) due to the Existing Swap Counterparty from the Issuer upon termination of the Swap Agreement shall be funded out of the amount paid to it by the Replacement Swap Counterparty, and the Existing Swap Counterparty, shall have no further claims against the Issuer or any other party in respect of such amounts; and
- (b) the amount (if any) due to the Issuer from the Replacement Swap Counterparty upon the entry into of the Replacement Swap Agreement shall be increased (or, as the case may be, the amount due from the Issuer to the Replacement Swap Counterparty shall be reduced) by an amount equal to any fees, costs and/or expenses incurred by the Issuer and/or the Trustee in relation to the appointment of the Replacement Swap Counterparty and any Replacement Agents appointed pursuant to Additional Condition 7.

Following the entry into of a Replacement Swap Agreement, all references to the Replacement Swap Counterparty shall be deemed to be the Swap Counterparty, as applicable, for the purposes of the terms and conditions of the Notes and any other documentation relating to the Notes. Accordingly, more than one Replacement Event may occur.

For the avoidance of doubt, and notwithstanding any other provisions of the Issue Deed, Principal Trust Deed or any other document relating to the Notes, no Swap Termination Event shall occur for the purposes of Master Condition 8(f) (*Redemption for Termination of Swap Agreement*) as a result of the termination of the Swap Agreement and entry into the Replacement Swap Agreement in accordance with the foregoing, and the consent of the Noteholders will not be sought or be required in connection with a Replacement Event in accordance with the foregoing nor for any amendments to the terms and conditions of the Notes and any other documentation relating to the Notes that the Noteholder Facilitator certifies in writing to the Trustee are consequential to and necessary in connection with the entry into of such Replacement Swap Agreement (upon which certificate the Trustee shall be entitled to rely on absolutely without incurring any liability to any person for so doing (even though such certificate may later be found to have been invalidly given)). None of the Issuer, the Trustee, the Swap Counterparty, the Noteholder Facilitator, the Calculation Agent, the Disposal Agent, the Custodian, the Issuing and Paying Agent, the Registrar, the Transfer Agent, the Dealer, the Arranger or any other person connected to the Notes shall be liable to any Noteholder or any other person in connection with any Replacement Event and/or any entry into of a Replacement Swap Agreement or in respect of any amendments to the terms and conditions of the Notes and any other documentation relating to the Notes which the Noteholder Facilitator has certified in writing to the Trustee are consequential and necessary in connection with the entry into of such Replacement Swap Agreement and shall have no responsibility to any Noteholder or any other person in respect of

any of the consequences resulting from a Replacement Event and/or any entry into of a Replacement Swap Agreement.

## **7. Agent Replacement Option**

Concurrently with the appointment of a Replacement Swap Counterparty and entry into of a Replacement Swap Agreement pursuant to Additional Condition 6, but only where the Swap Agreement with the Existing Swap Counterparty has been terminated in full, the Issuer undertakes, upon receipt of written directions from the Noteholder Facilitator requesting the Issuer to replace the existing Calculation Agent and/or Disposal Agent (a “**Replacement Agent Notice**”), to use reasonable efforts to appoint a replacement calculation agent (the “**Replacement Calculation Agent**”) and replacement disposal agent (the “**Replacement Disposal Agent**”, and together with the Replacement Calculation Agent, the “**Replacement Agents**”) designated by the Noteholder Facilitator, provided that (i) in the case of a Replacement Calculation Agent, is a reputable financial institution with a place of business in London which provides calculation agency services as part of its ongoing business activities and (ii) in the case of a Replacement Disposal Agent, is a reputable financial institution with a place of business in London which customarily sells securities in the market as part of its ongoing business activities, and in each case, are satisfactory to the Issuer, the Trustee and the Replacement Swap Counterparty. Upon receipt of such Replacement Agent Notice, the Issuer shall make reasonable efforts to effect such replacement on, or as soon as practicable following, the entry into of the Replacement Swap Agreement. The costs of appointment of the Replacement Agents shall be borne by the Replacement Swap Counterparty.

Following the appointment of any Replacement Agent, all references to the Calculation Agent and/or Disposal Agent, as applicable, shall be deemed to be references to the Replacement Agent for the purposes of the terms and conditions of the Notes and any other documentation relating to the Notes. Accordingly, the Calculation Agent and/or Disposal Agent may be replaced more than once.

For the avoidance of doubt, and notwithstanding Master Condition 11 (*Agents*) or any other provisions of the Issue Deed, Principal Trust Deed or any other document relating to the Notes, the consent of the Noteholders will not be sought or be required in connection with the appointment of any Replacement Agents in accordance with the foregoing nor for any amendments to the Master Conditions or the terms and conditions of the Notes and any other documentation relating to the Notes that the Noteholder Facilitator certifies in writing to the Trustee are consequential to and necessary in connection with the appointment of such Replacement Agents upon which certificate the Trustee shall be entitled to rely absolutely without incurring any liability to any person for so doing (even though such certificate may later be found to have been invalidly given). None of the Issuer, the Trustee, the Swap Counterparty, the Noteholder Facilitator, the Calculation Agent, the Disposal Agent, the Custodian, the Issuing and Paying Agent, the Registrar, the Transfer Agent, the Dealer, the Arranger or any other person connected to the Notes shall be liable to any Noteholder or any other person in connection with the appointment of any Replacement Agent or in connection with any amendment which may be made to the Master Conditions insofar as the proposed amendments relate to a Series of Notes or these Final Terms and any other documentation relating to a Series of Notes which the Noteholder Facilitator has certified in writing to the Trustee are consequential to and necessary in connection with the entry into of the Replacement Swap Agreement in accordance with the foregoing and shall have no responsibility to any Noteholder or any other person in respect of any of the consequences resulting from any such appointment of a Replacement Agent.

## **8. Provisions relating to Euroclear Sweden**

### **(a) General**

For so long as the Notes are represented by a Global Certificate and are shown in the records of Euroclear as being held by the Swedish CSD as defined below, the following provisions will apply.

#### **(i) Form of Swedish Notes**

The Global Certificate issued in respect of the Notes will be deposited upon issuance with and registered in the name of a nominee for Euroclear. The Notes will be shown in the

records of Euroclear as being held by a Swedish central securities depository (the “**Swedish CSD**”) which will be Euroclear Sweden AB (“**Euroclear Sweden**”) or any successor acceptable to or substitute appointed by the Issuer. The Swedish CSD will hold all interests in the Notes for the sole purpose of enabling clearing and settlement of interests therein in uncertificated and dematerialised book-entry form in the records maintained by the Swedish CSD in accordance with the CSD Rules (as defined below) for the benefit of the ultimate beneficial owners.

Beneficial interests in the Swedish CSD’s interest in the Notes will be shown in the records of the Swedish CSD pursuant to an affiliation agreement dated prior to the Issue Date entered into between the Issuer and the Swedish CSD. No owner of such a beneficial interest is entitled to transfer (and the Swedish CSD will not allow any such transfer) such interest directly to the records of Euroclear and thereby removing the relevant Notes from the records of the Swedish CSD.

The holders of the Notes expressly accept and acknowledge that the Swedish CSD will only distribute payments for the Notes that the Swedish CSD has received from Euroclear in respect of the Notes.

(ii) **Euroclear Sweden**

Euroclear Sweden is a subsidiary within the Euroclear group of companies. Euroclear Sweden is a limited liability company. It is authorised and regulated by the Swedish Financial Supervisory Authority as a central securities depository within the meaning of the Swedish Financial Instruments Accounts Act (1998:1479 (as amended)) and as a clearing organisation within the meaning of the Swedish Securities Markets Act (2007:528 (as amended)). All transactions relating to the beneficial interests in the Swedish CSD’s interest in the Notes (such as issuance, sale and transfer, pledge arrangements and other dispositions and redemptions) are executed as computerised book-entry registrations. Consequently, in order to effect such entries beneficial owners must establish a book-entry account through a credit institution or a securities firm acting as an account operator with the Swedish CSD (currently Euroclear Sweden). More information regarding Euroclear Sweden and its rules and operating procedures can be found at its internet web site at [www.euroclear.com](http://www.euroclear.com).

(iii) **Swedish Agent**

In addition, the Issuer has appointed or will appoint Skandinaviska Enskilda Banken AB (publ) as “**Swedish Agent**” in relation to the Notes pursuant to an issuing and paying agency agreement dated 16 April 2014 (the “**Swedish Agency Agreement**”).

(b) **Amendments to the Master Conditions**

The following provisions shall supplement and amend the Master Conditions and the provisions of the Global Certificate:

(i) **Beneficial interests and transfer**

The beneficial interests in the Swedish CSD’s interest in the Notes will be held in Swedish uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) and all such other Swedish laws, regulations and operating procedures applicable to and/or issued by the Swedish CSD (the “**CSD Rules**”). No owner of such a beneficial interest is entitled to transfer (and the Swedish CSD will not allow any such transfer) such interest directly to the records of Euroclear and thereby removing the relevant Notes from the records of the Swedish CSD.

Such beneficial interests will be transferable only in accordance with the CSD Rules. Title to such beneficial interests shall pass in the records maintained by the Swedish CSD in accordance with the CSD Rules.

The Issuer shall be entitled to obtain information from the register of the Swedish CSD in accordance with the CSD Rules.

(ii) **Amendments while in global form**

For the purpose of ascertaining the validity of a beneficial holding by a person on whose behalf the Swedish CSD is holding an interest in the Notes, the records of the Swedish CSD (in which regard, any electronic record, record statement, certificate or other information issued by the Swedish CSD as to the beneficial holding or the holding of any person duly authorised to act as a nominee (*Sw. förvaltare*)) shall be conclusive and final for all purposes and shall constitute commercially reasonable evidence, save in the case of manifest error.

(iii) **Payments**

Each holder of beneficial interests in the Swedish CSD's interest in the Notes must look solely to the Swedish CSD for its share of the payments so made by the Issuer. The Swedish CSD does not assume the obligations of the Issuer and is only obliged to distribute payments it has received in its capacity of Swedish CSD in respect of the Notes. It is expected that payments in respect of the Notes will be received by holders of the beneficial interests in the Swedish CSD's interest in the Notes holding such interests at an account with the Swedish CSD no later than the seventh business day (as defined by the then applicable CSD Rules) after the date on which such payment becomes due and payable in accordance with the terms and conditions of the Notes. Pursuant to the CSD Rules, payments in respect of any such beneficial interest shall be made to the holders shown as such on the fifth business day (as defined by the then applicable CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the CSD Rules. Such day shall be the "**Record Date**" in respect of the Notes in accordance with the CSD Rules. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and will be made in accordance with the CSD Rules.

(iv) **Notices**

So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Swedish CSD may be given by the Issuer delivering the relevant notice to that clearing system for communication to the Swedish CSD (along with a copy of such notice being delivered by the Issuer to the Swedish Agent pursuant to the Swedish Agency Agreement) rather than by mail as required by the Conditions (except that if and for so long as the Notes are listed on a stock exchange, all notices to holders of the Notes will be published in accordance with the rules of such stock exchange). Notices to each holder of beneficial interests in the Swedish CSD's interest in the Notes will be sent in accordance with the CSD Rules but shall be deemed to have been given to the holders of the Notes on the Reference Business Day immediately following the day on which the said notice was given to the Swedish CSD.

(v) **Agents**

Master Condition 11(a) (*Appointment of Agents*) will be deleted and the following substituted therefor:

“(a) **Appointment of Agents:** The Issuing and Paying Agent, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent and the Calculation Agent initially appointed by the Issuer and their respective Specified Offices, along with the Swedish Agent, are listed in the applicable Final Terms. Subject to the provisions of (i) the Agency Agreement, the Issuing and Paying Agent, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder and (ii) the Issuing and Paying Agency Agreement dated 16 April 2014 (in respect of the Swedish Agent), the Swedish Agent acts

solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Noteholder, other than to the extent any such obligations result from mandatory provisions in the Swedish Financial Instruments Accounts Act. The Issuer reserves the right at any time with the approval of the Trustee (except that the approval of the Trustee shall not be required for the appointment of a replacement Disposal Agent or Calculation Agent where Noteholders direct the Issuer to appoint such replacement pursuant to this Condition) to vary or terminate the appointment of the Issuing and Paying Agent, the Registrar, any Transfer Agent, the Custodian, the Disposal Agent, the Calculation Agent, the Swedish Agent and the Swedish CSD and to appoint additional or other Issuing and Paying Agent(s), Transfer Agent(s), Custodian(s), Disposal Agent(s), Calculation Agent(s), Swedish Agent(s), a substitute Swedish CSD or such other agents as may be required provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Disposal Agent, (v) a Calculation Agent, (vi) a Custodian, (vii) a Swedish Agent in Sweden duly authorised under the CSD Rules, (viii) a Swedish CSD duly authorised as a central securities depository under the Swedish Financial Instruments Accounts Act, and (ix) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Trustee (subject as provided above).

Notice of any such change or any change of any Specified Office shall promptly be given by the Issuer to the Noteholders in accordance with Master Condition 22 (*Notices*).”.

(vi) **Substitution**

The following sentence shall be added at the end of Master Condition 19(c) (*Substitution*):

“In respect of any such substitution of the Issuer, the substitution will, in addition to the other criteria set forth above in this Master Condition 19(c), be subject to the prior written consent of the Swedish CSD.”.

## DESCRIPTION OF THE COMPANY AND THE COMPARTMENT

### Company

Argentum Capital S.A. (the “**Company**”) is a public limited liability company (*société anonyme*) incorporated under Luxembourg law registered with RCS Luxembourg under number B.182.715 and is established as a *société de titrisation* within the meaning of the Securitisation Act 2004 (as may be amended from time to time). The Company has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) as a regulated securitisation undertaking within the meaning of articles 19 et seq. of the Securitisation Act 2004 and is supervised by the CSSF.

The registered office of the Company is at 51 Avenue J.-F. Kennedy, L-1855 Luxembourg. The share capital of the Company is EUR 31,000 divided into 31,000 shares with a par value of EUR 1 (each, a “**Company Share**”) all of which are fully paid. All the issued Company Shares are held by Stichting Argentum, a foundation (*stichting*) incorporated under the laws of The Netherlands (the “**Shareholder**”).

### Compartment and source of funds

In connection with an issue of the Notes of a Series, the board of directors of the Company will create a compartment of the Company as specified in the applicable Final Terms (a “**Compartment**”) relating solely to the Notes of such Series separate from any other Series of Notes issued by the Company. A Compartment is a separate part of the Company’s assets and liabilities. An investor’s recourse to the Issuer in respect of Notes of a Series is limited to the assets and liabilities allocated to the Compartment created in respect of the Notes of such Series.

The principal assets of the Issuer allocated to the Compartment of a Series are the Original Collateral, the Class Equity Original Collateral (if applicable) and the Issuer’s rights against the Swap Counterparty under the Swap Agreement.

The ability of the Issuer to pay the intended amounts due under the Notes (as described in more detail in the sections of this Base Prospectus entitled “*Transaction Description*” and “*Fund-Linked, Equity-Linked, Equity Index-Linked Notes and Certificate-Linked Product Supplement*”) will be dependent upon the payment of:

- (a) the net amounts due from the Swap Counterparty under the Swap Agreement;
- (b) the payment of all sums due from the Original Collateral Obligor in respect of the Original Collateral;
- (c) the value of the Original Collateral;
- (d) the value of any Eligible Securities delivered to the Issuer under the Credit Support Annex in certain circumstances; and
- (e) in respect of a Certificate-Linked Class of Notes only, the Class Equity Original Collateral Redemption Amount due from the Equity Original Collateral Obligor under the Class Equity Original Collateral or, in certain circumstances, the value of the Class Equity Original Collateral.

Where such assets are not sufficient to meet the claims of the investors in relation to Notes of a Series, investors will have no further recourse to any other assets of the Company. In connection with this, investors should be aware that where any Notes of a Series redeem early, the assets allocated to the Compartment relating to the Notes of such Series, and any amounts derived from such assets, shall first be used to pay certain amounts owing to other parties, including Credit Suisse International as the Swap Counterparty to the extent that any amounts are owing to it. These amounts may be significant and will reduce the amount available to investors in the Notes of a Series, potentially to zero.

Under the Securitisation Act 2004, the assets of each Compartment for each Series and the proceeds thereof are, in principle, exclusively available for distribution to the specified Noteholders and the relevant swap counterparties relating to such Series and Class of Notes. A creditor of the Company may have claims against the Company in respect of more than one Series, in which case the claims in respect of each individual Series will be limited to the Mortgaged Property relating to such Series only. Upon a liquidation of a Compartment, if the Mortgaged Property and the proceeds of enforcement and realisation thereof, as applicable, are not sufficient to make all payments and deliveries, as applicable, due in respect of the Notes,

then the obligations of the Issuer in respect of the Notes of that Series will be limited to the Mortgaged Property of the Compartment in respect of that Series, as specified in the Master Conditions and this Base Prospectus. The Issuer will not be obliged to make any further payment or delivery, as applicable, for any Series of Notes in excess thereof. Following application of the relevant Mortgaged Property and the proceeds of enforcement and realisation thereof, as applicable, in accordance with the Master Conditions, the claims of the relevant Noteholders and the relevant swap counterparties of the relevant Series for any shortfall shall be extinguished and the relevant Noteholders and the relevant swap counterparties (and any person acting on behalf of any of them) may not take any further action to recover such shortfall and none of them should be able to petition for the winding-up, the liquidation or the bankruptcy of the Company or any other similar insolvency related proceedings. Failure to make any payment or delivery, as applicable, in respect of any such shortfall shall in no circumstances constitute an event of default under the Master Conditions. Any shortfall shall be borne by the Noteholders and the swap counterparties of the relevant Series in respect of which the Notes have been issued according to the priorities specified in the Master Conditions as amended by this Base Prospectus.

## DESCRIPTION OF THE SWAP AGREEMENT

### Overview of the Swap Agreement

The Swap Agreement comprises the swap agreement relating to the Notes of a Series and entered into by the Issuer and the Swap Counterparty by their execution of the Issue Deed relating to such Series on the terms of the ISDA 2002 form of Master Agreement as amended by the Schedule set out in the Master Swap Terms (dated 4 September 2015) incorporated by reference into (and as modified and/or supplemented by) such Issue Deed and as supplemented by:

- (a) a confirmation evidencing an asset swap transaction relating to each Class of Notes (in respect of each Class, the “**Asset Swap Transaction**” relating to such Class) between the Issuer and the Swap Counterparty;
- (b) a confirmation evidencing a fund swap transaction relating to a Fund-Linked Class of Notes (the “**Fund Swap Transaction**” relating to such Class);
- (c) a confirmation evidencing an equity swap transaction relating to an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes (the “**Equity Swap Transaction**” relating to such Class); and
- (d) an ISDA Credit Support Annex (Bilateral Form-Transfer) (English Law) containing the paragraph 11 elections set out in the Master CSA Terms dated 4 September 2015 which are also incorporated by reference into (and as modified and/or supplemented by) such Issue Deed (the “**Credit Support Annex**”) dated as of the same date,

(together, the “**Swap Agreement**”).

The Issuer has assigned by way of security in favour of the Trustee for itself and as trustee for the Noteholders all of the Issuer’s rights, under the Swap Agreement (without prejudice to, and after giving effect to, any contractual netting provision contained in the Swap Agreement).

The Master Swap Terms comprised in the Swap Agreement in respect of the Notes include the following provisions:

- (A) The transactions comprised in the Swap Agreement will be capable of termination at the option of the Issuer upon the occurrence of any of the following events of default in relation to the Swap Counterparty: failure to pay or deliver, misrepresentation, bankruptcy and merger without assumption (as such events are more particularly described in the Master Swap Terms) provided that, the Issuer may be obliged to first use reasonable efforts to enter into a replacement swap agreement with a replacement counterparty and if a replacement swap transaction is not entered into, the Swap Agreement will automatically terminate (as more fully described in the applicable Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement). The transactions comprised in the Swap Agreement will be capable of termination at the option of the Swap Counterparty upon the occurrence of any of the following events of default in relation to the Issuer: failure to pay or deliver, bankruptcy and merger without assumption (as such events are more particularly described in the Master Swap Terms).
- (B) In the event that it becomes unlawful for either the Issuer or the Swap Counterparty to perform its obligations under a transaction comprised in the Swap Agreement, either the Issuer or the Swap Counterparty (or both) will have the right to terminate such transaction.
- (C) In the event that a withholding or deduction is imposed on any payment to be made by the Issuer or the Swap Counterparty to the other under a transaction comprised in the Swap Agreement as a result of (i) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986; (ii) any similar or successor legislation to (i); (iii) any agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986; (iv) any regulations or guidance pursuant to any of the foregoing; (v) any official interpretations of any of the foregoing; (vi) any intergovernmental agreement to facilitate the implementation of any of the foregoing (an “**IGA**”); or (vii) any law implementing an IGA, either the Issuer or the Swap Counterparty (or both) has the right to terminate such transaction.

- (D) Subject to sub-paragraphs (E), (F) and (G) below, in the event that a withholding or deduction for or on account of any Indemnifiable Tax is imposed on any payment to be made by either the Issuer or the Swap Counterparty to the other under a transaction comprised in the Swap Agreement, neither party is obliged to gross up such payment.
- (E) Subject to sub-paragraph (G) below, in the event that a withholding or deduction is or there is a substantial likelihood that a withholding or deduction will be imposed on any payment to be made by either the Issuer or the Swap Counterparty to the other under a transaction comprised in the Swap Agreement as a result of (i) any action taken by a taxing authority or brought in a court of competent jurisdiction or (ii) a change in tax law(s), either the Issuer or the Swap Counterparty (or both) have the right to terminate such transaction.
- (F) Subject to sub-paragraph (G) below, in the event that the Issuer or the Swap Counterparty will receive a payment from the other party from which an amount has been withheld or deducted on account of any tax (such receiving party, the “**Burdened Party**”) under a transaction comprised in the Swap Agreement solely as a result of a merger event affecting the Burdened Party, the Burdened Party has the right to terminate such transaction.
- (G) In the event that the Swap Counterparty has the right to terminate a transaction comprised in the Swap Agreement as a result of the events described in sub-paragraphs (E) or (F) above, the Swap Counterparty is required to use its reasonable endeavours to arrange for the transfer of all of its rights and obligations under the relevant transactions comprised in the Swap Agreement to an office or affiliated company of the Swap Counterparty within 30 days such that the relevant termination event described in sub-paragraph (E) or (F) above ceases to exist, failing which, the Swap Counterparty shall give notice to the Issuer and may terminate the transaction.
- (H) If an Early Redemption Commencement Date occurs or the Issuer fails to give an Early Redemption Notice when required to do so (in each case, other than in circumstance where the Swap Agreement has already terminated) then the Swap Counterparty has the right to terminate the Swap Agreement.
- (I) The Swap Counterparty has the right to terminate the Swap Agreement if any of the clauses in the Principal Trust Deed relating to pre-liquidation and enforcement of the Security, post-liquidation and enforcement of the Security or post-enforcement of the Security are amended, or if the equivalent provisions of the Conditions are amended (after the Issue Date of the Notes) such that the Issuer’s obligations to the Swap Counterparty under the Swap Agreement are further contractually subordinated to the Issuer’s obligations to any other secured creditor.
- (J) The Swap Counterparty has the right to terminate the Swap Agreement if certain amendments or waivers are made by the Issuer to the relevant Series documents without the Swap Counterparty’s prior written consent which would result in the Swap Counterparty paying more or receiving less under the Swap Agreement than would otherwise have been the case immediately prior to such amendment or waiver.
- (K) The Swap Counterparty has the right to terminate the Swap Agreement if the Issuer breaches any of the covenants contained in the Principal Trust Deed, unless the Trustee and the Swap Counterparty have given their prior written consent to such breach of a restrictive covenant in accordance with the terms of the Principal Trust Deed.
- (L) If the Notes are repurchased and cancelled by the Issuer pursuant to Master Conditions 8(r) (*Purchases*) and 8(s) (*Cancellation*), a proportionate part of each transaction attributable to such Notes comprised in the Swap Agreement will terminate.

In the event of any inconsistency between the Master Swap Terms and the terms of any confirmation in respect of a transaction comprised in the Swap Agreement, the terms of such confirmation shall prevail.

### **Payments and early redemption**

Payments to the Noteholders under each Class of Notes are entirely contingent on the full and timely performance of the obligations of the Swap Counterparty under the Swap Agreement.

In respect of each Fund-Linked Class, Equity-Linked Class or Equity Index-Linked Class of Notes, if the Asset Swap Transaction and the Fund Swap Transaction or the Equity Swap Transaction (as applicable)

relating to such Class comprised in the Swap Agreement are terminated (or the Swap Agreement is terminated in whole), such Class shall be redeemed by payment of the Early Cash Redemption Amount, as defined in the terms and conditions of the Notes and described in more detail below.

### **Early Cash Redemption Amount**

Where the Notes of a Class are to be redeemed in whole early, each Noteholder shall be entitled to an amount per Note referred to as its “Early Cash Redemption Amount”. The quantum of such amount will depend on:

- (a) in the case of a Fund-Linked Class of Notes, the value of the Asset Swap Transaction and the Fund Swap Transaction relating to such Class, in each case from the perspective of the Issuer and as determined in accordance with the relevant Swap Agreement, and the *pro rata* share of the liquidation proceeds of the Original Collateral relating to such Class;
- (b) in the case of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, the value of the Asset Swap Transaction and the Equity Swap Transaction relating to such Class, in each case from the perspective of the Issuer and as determined in accordance with the relevant Swap Agreement, and the *pro rata* share of the liquidation proceeds of the Original Collateral relating to such Class; or
- (c) in respect of a Certificate-Linked Class of Notes, the value of the Asset Swap Transaction relating to such Class from the perspective of the Issuer and as determined in accordance with the relevant Swap Agreement, and the *pro rata* share of the liquidation proceeds of the Original Collateral and Class Equity Original Collateral relating to such Class.

### **Termination of the Swap Agreement in full in connection with the Early Redemption of all Classes of the Notes**

If all Classes of Notes of a Series are redeemed prior to their scheduled maturity date, the Early Cash Redemption Amount for the relevant Class of Notes shall be determined not only by the Close-out Amounts and Unpaid Amounts relating to the terminating swap transactions and the Termination Payment under the Swap Agreement and the liquidation proceeds of the relevant Original Collateral, but also by the SEK equivalent value of any assets transferred by the Swap Counterparty and then held by the Issuer under the Credit Support Annex relating to such Swap Agreement.

#### *Termination Payment under the Swap Agreement*

The Termination Payment determined in accordance with the Swap Agreement is defined under the Swap Agreement as the “Early Termination Amount”. The Early Termination Amount is determined by aggregating three components that are detailed within the terms of the Swap Agreement:

- (A) the value (expressed in SEK), considered from the Issuer’s perspective, of each of the Fund Swap Transaction or the Equity Swap Transaction (as applicable) and the Asset Swap Transaction relating to such Class under the Swap Agreement (referred to in the Swap Agreement as the Close-out Amount(s) for each swap transaction being terminated, as described below); *plus*
- (B) the value (expressed in SEK) of any Unpaid Amounts (as described below) owing to the Issuer; less
- (C) the value (expressed in SEK) of any Unpaid Amounts (as described below) owing to the Swap Counterparty.

#### *Close-out Amount*

The Close-out Amount for the Asset Swap Transactions, the Fund Swap Transaction and the Equity Swap Transaction is, broadly, a measure of determining the value to the Issuer of such swap transactions by determining the cost that it would incur in replacing, or providing the economic equivalent of, the material terms of such swap transactions. In calculating the Close-out Amounts, Unpaid Amounts (as described above) and legal fees and out-of-pocket expenses are excluded.

In determining a Close-out Amount, the determining party (which is likely to be the Swap Counterparty other than where it has defaulted) may consider any relevant information, including, without limitation, *one or more* of the following types of information: (a) quotations for replacement transactions supplied by one or

more third parties; (b) relevant market data in the relevant market supplied by one or more third parties (of the type described below), including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or (c) information of the types described in clause (a) or (b) above from internal sources (including any of the determining party's affiliates) if that information is of the same type used by the determining party in the regular course of its business for the valuation of similar transactions. In addition, there may be situations in which it is commercially reasonable for the determining party to consider any loss or cost incurred in connection with its terminating, liquidating or re-establishing any hedge related to the terminated transactions (or any gain resulting from any of them), provided that there is no double-counting of such amounts in the determining party's calculation.

Commercially reasonable procedures used in determining a Close-out Amount may include the following: (a) application by the Swap Counterparty of pricing or other valuation models to relevant market data from third parties or information from internal sources, provided that, at the time of the determination of the Close-out Amount, these models are used by it in the regular course of its business in pricing or valuing transactions between the determining party and unrelated third parties that are similar transactions; and (b) application of different valuation methods to terminated transactions depending on the type, complexity, size or number of the terminated transactions.

#### *Unpaid Amounts*

Unpaid Amounts are, broadly, (a) payments or (b) valuations in respect of deliveries, that were scheduled to have been made to a party on or before the date that the relevant Swap Transactions were terminated but which were not made, in each case together with interest from (and including) the date the relevant obligation was scheduled to be performed to (but excluding) the relevant early termination date. These payments or deliveries may not have been made, for example, because of a default by the payer, the deferral of payment as a result of the payee being in default or the payment obligation having terminated by reason of designation of the early termination date.

#### *Liquidation of Collateral under the Credit Support Annex*

In such circumstances, any Collateral transferred to the Issuer under the Credit Support Annex shall be liquidated by the Disposal Agent on behalf of the Issuer pursuant to the terms of the Agency Agreement in order to realise cash proceeds for the non-cash assets comprised therein, and then the remaining cash converted into SEK (the "**CSB Collateral Value**"). Such CSB Collateral Value, after satisfaction of certain costs and expenses that may be due, shall be treated as an Unpaid Amount due from the Issuer to the Swap Counterparty for the purposes of determining the Early Termination Amount in lieu of the Issuer having to redeliver equivalent assets or pay equivalent cash amounts in the relevant currencies to the Issuer. Whilst this treatment as an Unpaid Amount will reduce the Early Termination Amount that would otherwise be determined to be payable from the Swap Counterparty or possibly reverse the payment (so that the Issuer owes the Swap Counterparty such excess), the Early Cash Redemption Amount includes the CSB Collateral Value within the amount that is ultimately payable by the Issuer to Noteholders.

The aggregate Early Cash Redemption Amount payable to the Noteholders of the relevant redeeming Class in such circumstances is therefore expected to be (i) the proportion of the liquidation proceeds of the relevant Original Collateral, *plus* (ii) the proportion of the CSB Collateral Value relating to the value of the swap transactions in respect of such Class, *plus* (iii) the Early Termination Amount if payable to the Issuer (which will be the case where the combined Close-out Amounts and Unpaid Amounts in respect of the relevant terminating transactions exceeds the CSB Collateral Value) or *minus* (iv) the Early Termination Amount (which will be the case where the combined Close-out Amounts and Unpaid Amounts in respect of the relevant terminating transactions are less than the CSB Collateral Value).

## DESCRIPTION OF THE ASSET SWAP TRANSACTIONS

### Asset Swaps

Asset swap transactions are usually derivative transactions entered into between two parties to create a right for the parties to make and receive payments that match or track the performance of one or more assets.

### Payments under the Asset Swap Transactions

In respect of the Notes, there will be a separate Asset Swap Transaction for each Class. Under each Asset Swap Transaction, the Swap Counterparty agrees to pay to the Issuer in respect of the relevant Class of Notes:

- (a) if the Ordinary Fee Arrangement is specified as applicable in the applicable Final Terms:
  - (i) if Redemption by Instalments is specified as not applicable in the applicable Final Terms, on the Reference Business Day falling immediately prior to the applicable Maturity Date of the Notes, unless the relevant Class of Notes have fallen due for redemption in full prior to the Maturity Date, an amount equal to the *product of* (x) the outstanding principal amount of such Class Notes and (y) the applicable Redemption Percentage; or
  - (ii) if Redemption by Instalments is specified as applicable in the applicable Final Terms, on the Reference Business Day immediately preceding each Instalment Date, an amount equal to the corresponding aggregate Instalment Amounts payable in respect of such Instalment Date;
- (b) if the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, on the Reference Business Day falling immediately prior to the applicable Maturity Date of the Notes, unless the Class of Notes have fallen due for redemption in full prior to the Maturity Date, an amount equal to the *product of* (x) the outstanding principal amount of such Class Notes (y) the applicable Redemption Percentage and (z) the applicable Fee Calculation Factor; and
- (c) if the relevant Class of Notes bear interest, on the Reference Business Day falling immediately prior to each scheduled Interest Payment Date or Specified Interest Payment Date (as applicable) in relation to such Class, an amount equal to the relevant interest amounts.

Under each Asset Swap Transaction, the Issuer agrees to pay to the Swap Counterparty an amount equal to the amount in respect of interest and/or principal scheduled to be paid in respect of the Original Collateral (and in the currency in which it is scheduled to be paid) as at the Collateral Event Observation Start Date specified in the applicable Final Terms, including any Original Collateral transferred by the Issuer to the Swap Counterparty under the Credit Support Annex, in respect of each day on which a payment in respect of interest and/or principal is due to be made in respect of the Original Collateral (each, an “**Original Collateral Payment Date**”). Such amounts shall be paid on the Reference Business Day immediately following the relevant Original Collateral Payment Date.

Where the Calculation Agent determines that there is a Potential Collateral Event in respect of a Collateral Component, no payments shall be made by the Swap Counterparty under the Asset Swap Transaction relating to each Class of Notes with respect to the portion of the Asset Swap Transaction relating to the Potential Affected Collateral Component during the applicable Suspension Period. At any time during the Suspension Period, the Calculation Agent may determine that a Collateral Event has occurred.

Where any Collateral Component is redeemed in full, under the terms of the Asset Swap Transaction the Issuer shall pay to the Swap Counterparty an amount equal to the redemption proceeds of such Collateral Component. The Swap Counterparty will still be obliged to pay an amount equal to either the Final Redemption Amount or, if applicable, an amount equal to the applicable Instalment Amounts as described in paragraph (a) above, and the Issuer will therefore have a greater exposure to the Swap Counterparty. The Issuer’s net exposure to the Swap Counterparty will be collateralised under the Credit Support Annex and, therefore, it is likely that following the scheduled redemption of a Collateral Component, the Swap Counterparty will transfer Eligible Securities under the Credit Support Annex of a similar value to the nominal amount of the Collateral Component prior to such redemption.

Where the Dealer elects bonds to comprise one or more Collateral Components that differ from those expected to comprise the Collateral Components, such bonds may have a scheduled maturity date which falls

after the Maturity Date of the Notes. If this is the case, the Swap Counterparty will pay across the Final Redemption Amount described in paragraph (a) above, but the Issuer shall, rather than paying the Swap Counterparty an amount equal to the principal scheduled to be paid by the Original Collateral as described in paragraph (b) above, deliver to the Swap Counterparty the Collateral Component and any cash related thereto to the Swap Counterparty two Business Days prior to the applicable Maturity Date.

## DESCRIPTION OF THE FUND SWAP TRANSACTIONS

### Fund Swaps

Fund swap transactions are usually derivative transactions entered into between two parties to create a right for the parties to make and receive payments that match or track the performance of one or more funds or pooled investment vehicles. In respect of a Fund-Linked Class of Notes, the Fund Swap Transaction is a bespoke transaction, the final exchange amount receivable by the Issuer under which will determine any Additional Payout Amount payable in respect of such Class of Notes. Such final exchange amount is referred to in this section as the Swap Counterparty Equity Final Exchange Amount.

The Fund Swap Transaction references the performance of the Fund. Whether any Swap Counterparty Equity Final Exchange Amount shall be receivable by the Issuer under the Fund Swap Transaction, and accordingly whether any Additional Payout Amount shall be payable as part of the redemption amounts on a Fund-Linked Class of Notes, will depend in part on the relative performance of the Fund.

The Swap Counterparty Equity Final Exchange Amount is subject to a floor of zero. As a result, if the relative performance of the Fund calculated under the Fund Swap Transaction decreases, this will simply result in no Swap Counterparty Equity Final Exchange Amount being receivable by the Issuer under the Fund Swap Transaction, and therefore no Additional Payout Amount being payable in respect of a Fund-Linked Class of Notes.

A description of the Fund Swap Transaction, including of the amounts potentially receivable by the Issuer thereunder and the related definitions, is set out in the section of this Base Prospectus entitled “*Transaction Description*” under the heading “*Impact of the Fund Swap Transaction on a Fund-Linked Class of Notes*”.

### The Fund

The Fund Swap Transaction references the performance of Catella Fondförvaltning AB Special Funds, Catella Hedgefond, SEK retail class (ISIN: SE0001131335; Bloomberg: CATHEDG SS) (the “**Asset**” or the “**Fund**”).

Information (including information as to their past and future performance and volatility) about the Fund may be obtained on Bloomberg under the code set out above.

Further information on the Fund is set out in the section of this Base Prospectus entitled “*Description of the Fund*”.

### Payments under the Fund Swap Transaction

The Swap Counterparty Equity Final Exchange Amount in respect of the Fund Swap Transaction will be determined by reference to a formula. A description of the formula is set out in the section of this Base Prospectus entitled “*Transaction Description*” under the heading “*Formula for calculating the Swap Counterparty Equity Final Exchange Amount and the Additional Payout Amount in respect of a Fund-Linked Class of Notes*”.

In mathematical terms, the Swap Counterparty Equity Final Exchange Amount in respect of the Fund Swap Transaction will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Reference Portfolio Return}\}$$

where:

“**Asset Value ER**” means, in respect of the Reference Portfolio Value Start Date (being, for the avoidance of doubt, the first date on which the Asset Value ER is calculated for the purpose of the Fund Swap Transaction), 100%. Thereafter, in respect of each Valuation Day (t), Asset Value ER (t) is calculated as follows:

$$\text{Asset Value ER}(t) = \text{Asset Value ER}(t-1) \times \left( \frac{\text{Asset Unit Price}(t)}{\text{Asset Unit Price}(t-1)} - \left( \text{STIBOR}(t-1) \times \frac{n(t-1,t)}{360} \right) \right)$$

where:

“**Asset Unit Price (t)**” means the official net asset value of the Asset in respect of Valuation Day (t).

“**Asset Unit Price (t-1)**” means Asset Unit Price (t) in respect of Valuation Day (t-1).

“**Asset Value ER (t-1)**” means the Asset Value ER (t) in respect of Valuation Day (t-1).

“**STIBOR (t-1)**” means the rate for 3 months in SEK displayed on Reuters on page “STIBOR=” on Valuation Day (t-1) or, if not so displayed, as otherwise determined by the Calculation Agent acting reasonably from prevailing swap market rates.

“**n(t-1,t)**” means the number of calendar days from and including Valuation Day (t-1) to but excluding Valuation Day (t).”

“**Asset Weight**” means, in respect of the Reference Portfolio Value Start Date (being, for the avoidance of doubt, the first date on which the Asset Weight is calculated for the purpose of the Fund Swap Transaction), 100% (“**W(t)**”). Thereafter, in respect of each Valuation Day (t), W(t) is calculated as follows:

$$W(t) = \begin{cases} \text{Min}(\text{Max Weight}, TW(t)), & \text{if } \text{Abs} |W(t-1) - TW(t)| > \text{Exposure Band} \\ W(t-1), & \text{otherwise} \end{cases}$$

where:

“**ABS | • |**” means the absolute value of •.

“**Exposure Band**” means 5%, or as otherwise specified in the relevant Fund Swap Transaction.

“**Max Weight**” means 100%, or as otherwise specified in the relevant Fund Swap Transaction.

“**TW(t)**” is calculated as follows:

$$TW(t) = \frac{\text{Target Volatility}}{\text{Vol}(t-2)}$$

“**Target Volatility**” means 4.50%, or as otherwise specified in the relevant Fund Swap Transaction.

“**Vol (t-2)**” means Vol (t) in respect of the second Valuation Day immediately preceding Valuation Day (t), as defined below under “**Vol**”

“**Basket Return**” means, in respect of any Valuation Day (t) from (but excluding) the Initial Valuation Date to (and including) the Reference Portfolio Value Start Date, the Basket Return is equal to:  $\frac{4.5\%}{\sqrt{252}}$ , unless otherwise specified in the confirmation of the relevant Fund Swap Transaction. Thereafter, in respect of any Valuation Day (t), it is calculated as the following:

$$\text{Basket Return}(t-1, t) = \ln\left(\frac{\text{Asset Value}(t)}{\text{Asset Value}(t-1)}\right)$$

“**Calculation Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Stockholm.

“**Final Valuation Date**” means the date specified in the applicable Final Terms, provided that where such day is not a Calculation Business Day, the Final Valuation Date shall be the first Calculation Business Day following such day.

“**Initial Valuation Date**” means the date specified in the applicable Final Terms.

“**Observation Dates**” means the days specified in the applicable Final Terms, provided that where such day is not a Calculation Business Day, the Observation Date shall be the first Calculation Business Day following such day:

“**Participation**” means a percentage to be determined by the Issuer or the Calculation Agent on its behalf and notified to the Noteholders on or about the Issue Date which is specified in the applicable Final Terms.

“**Reference Portfolio Return**” means the return (expressed as a percentage) calculated as follows:

$$\frac{\text{Reference Portfolio Value (Average)}}{\text{Reference Portfolio Value(Strike Date)}} - \text{Strike}$$

“**Reference Portfolio Value**” means, in respect of the Reference Portfolio Value Start Date (being, for the avoidance of doubt, the first date on which the Reference Portfolio Value is calculated for the purpose of the Fund Swap Transaction), 100% or as otherwise specified in the confirmation of the relevant Fund Swap Transaction. Thereafter, Reference Portfolio Value (t) for each Valuation Day (t) will be determined as follows:

$$\text{Reference Portfolio Value (t)} = \text{Reference Portfolio Value (t - 1)} \times \left[ 1 + W(t - 1) \times \left( \frac{\text{Asset Value ER (t)}}{\text{Asset Value ER (t-1)}} - 1 \right) \right]$$

where:

“**Asset Value ER (t-1)**” is the Asset Value ER (t) in respect of the Valuation Day immediately preceding Valuation Day (t) (“**Valuation Day (t-1)**”).

“**Reference Portfolio Value (t-1)**” means the Reference Portfolio Value in respect of Valuation Day (t-1).

“**W(t-1)**” means the Asset Weight (“**W(t)**”) in respect of Valuation Day (t-1).

“**Reference Portfolio Value (Average)**” means the arithmetic average of the Reference Portfolio Value (t) in respect of Observation Dates.

“**Reference Portfolio Value (Strike Date)**” means the Reference Portfolio Value in respect of the Strike Date.

“**Reference Portfolio Value Start Date**” means the date specified as such in the applicable Final Terms.

“**Strike**” means 100%, or as otherwise specified in the confirmation of the relevant Fund Swap Transaction.

“**Strike Date**” means the date specified as such in the applicable Final Terms, provided that where such day is not a Calculation Business Day, the Strike Date shall be the first Calculation Business Day following such day.

“**Swap Notional Amount**” means an amount in SEK equal to the product of (x) the Initial Class Aggregate Nominal Amount of a Fund-Linked Class of Notes as at the Issue Date, subject to reduction at any time and from time to time as a result of any purchase and cancellation of Notes of that Class pursuant to Master Conditions 8(r) (*Purchases*) and 8(s) (*Cancellation*) and (y) if the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, the applicable Fee Calculation Factor.

“**Valuation Day**” means the Initial Valuation Date, the Final Valuation Date, and each day which is a Calculation Business Day from (and including) the Initial Valuation Date to (and including) the Final Valuation Date.

“**Vol**” means, on any Valuation Day (t) from (and including) two Valuation Days prior to the Reference Portfolio Value Start Date, Vol (t) is defined as:

$$\text{Vol (t)} = \text{Max (Vol a(t), Vol b(t))}$$

$$\text{Vol a(t)} = \sqrt{\frac{252}{a} \times \sum_{k=1}^a (\text{Basket Return (t - k, t - k + 1)})^2}$$

$$\text{Vol b(t)} = \sqrt{\frac{252}{b} \times \sum_{k=1}^b (\text{Basket Return (t - k, t - k + 1)})^2}$$

where:

“a”= 21, unless otherwise specified in the confirmation of the relevant Fund Swap Transaction.

“b”= 84, unless otherwise specified in the confirmation of the relevant Fund Swap Transaction.

The Swap Counterparty Equity Final Exchange Amount, if any, in respect to the Fund Swap Transaction will be paid to the Issuer on the Reference Business Day immediately preceding the Additional Payout Amount Payment Date.

## **Disruption Events, Fund Substitution Events, Fund Adjustment Events and Fund Defeasance Events**

### *Consequences of a Disruption Event*

If the Calculation Agent determines that a Fund Disruption Event and/or a Market Disruption Event (each a “**Disruption Event**”) has occurred in respect of a Valuation Day (such date a “**Disrupted Valuation Day**”), the Calculation Agent may elect to take either of the following actions:

- (a) make any calculation, determination or adjustment of any variable in respect of the Fund Swap Transaction (the “**Transaction**”) and make payment of any amount under the Transaction (in cash or other consideration), using an estimate of such variable determined in its discretion, provided that such estimate shall take into account an amount in compensation for a Hypothetical Investor (as defined below) to reflect (i) the risk of holding any Fund or other financial instrument as a hedge under the Transaction, and (ii) the risk of being unable to redeem or liquidate such Fund or other financial instrument into cash in full and without any restrictions as of, or at any time after, the Disrupted Valuation Day; or
- (b) postpone any calculation in respect of the Disrupted Valuation Day until the first succeeding Calculation Business Day in respect of which a Disruption Event ceases to exist (such Valuation Day being the “**Postponed Valuation Day**”).

Where the Postponed Valuation Day falls or, in the determination of the Calculation Agent, is expected to fall, after the Termination Date (as defined below) then the Termination Date shall be postponed until the third Business Day after which the Hypothetical Investor would receive in full the proceeds in respect of the redemption of any Fund or other financial instrument that it would hold as a hedge under the Transaction, unless the Calculation Agent determines that the relevant amount can be paid earlier by the Swap Counterparty.

“**Fund Disruption Event**” means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) a failure, suspension or postponement in the reporting or publishing of the Official Net Asset Value (as defined below) in respect of the Fund as regularly scheduled taking into account the relevant cure period, or any event that prevents the Official Net Asset Value in respect of the Fund so published from being received by the people to whom it is published, whereby such event is, in the determination of the Calculation Agent, material;
- (b) any circumstances where, although the Official Net Asset Value of the Fund is published, the Calculation Agent reasonably determines that such value is not accurate or that any transaction in respect of the Fund could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Adjustment Event);
- (c) the inability of a Hypothetical Investor, if holding units of the Fund as a hedge for the Transaction, to liquidate the units of the Fund or any other interest received by the Fund when scheduled (including any change to the notice period for redemption or subscriptions, any gating, side-pocketing or other arrangement affecting the Hypothetical Investor);
- (d) a postponement, suspension or failure of the Fund to make any payment in respect of the redemption of any interest in the Fund on any day for which such payment is scheduled to be made in accordance with Base Prospectus of the Fund; or
- (e) the Hedging Entity (as defined below) not being permitted by the Fund to subscribe for or redeem interests in the Fund on a Fund Business Day in accordance with the Base Prospectus of the Fund.

“**Market Disruption Event**” means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) when the foreign exchange market or money market in the Settlement Currency (as defined below), EUR or respective currency of the Fund, is or are closed otherwise than for ordinary public holidays or if trading thereupon is restricted or suspended and, in the determination of the Calculation Agent, this would have a material impact on the ability of the Swap Counterparty or the Calculation Agent

to determine the value of the Transaction accurately, in a timely manner or at all or on the ability of the Hedging Entity to execute a hedge in respect of the Transaction in any such market; or

- (b) an event pursuant to which there is a breakdown in any means of communication normally used for the valuation by the Calculation Agent of the Fund or if the Fund Manager (as defined below) informs the Swap Counterparty or the Calculation Agent, or the Swap Counterparty or the Calculation Agent determines at its own discretion, that the last reported Official Net Asset Value should not be relied upon.

#### *Consequences of a Fund Substitution Event*

If the Calculation Agent determines that a Fund Substitution Event has occurred in respect of a Fund, then the Swap Counterparty may, at any time:

- (a) waive such Fund Substitution Event;
- (b) substitute such Fund affected by the Fund Substitution Event with one or more funds (each a “**Substitute Fund**”) which comply with the Inclusion Conditions and, in the opinion of the Swap Counterparty, have a similar geographical focus to, and close correlation with, the Fund subject to the Fund Substitution Event;
- (c) adjust the weighting of any one or more of the Funds (inclusive or any Substitute Fund, where applicable); and/or
- (d) at the discretion of Swap Counterparty, make any necessary adjustments to the terms and conditions of the Transaction to account for the economic effect on the Transaction of such Fund Substitution Event and to preserve the original economic objective and rationale of the Transaction.

As of such date of substitution of the Fund with a Substitute Fund (“**Substitution Valuation Date**”), such Substitute Fund will be deemed to be a Fund.

For the avoidance of doubt, the Swap Counterparty and Calculation Agent are under no obligation to monitor compliance of the Funds with the Inclusion Conditions, or to monitor whether a Fund Substitution Event has occurred. The Swap Counterparty and the Calculation Agent shall not be liable to any party or person for losses resulting from violations of the Inclusion Conditions or failure to effect a Fund Substitution Event.

“**Fund Substitution Event**” means, in respect of a Fund, (a) any of the following events occurs on or after the Trade Date (as defined below) in respect of investors generally, or such event actually occurs with respect to the Hedging Entity or (b) publication of a notice or other dissemination of information in respect of the Fund which indicates that any such event will occur on or after the Trade Date:

- (a) any of following events in respect of a Fund:
  - (i) the winding-up, dissolution, liquidation or other cessation of trading of such Fund, or any Fund Service Provider (as defined below) unless it is replaced with a successor acceptable to the Swap Counterparty;
  - (ii) any litigation, arbitration, investigation, proceeding or regulatory or governmental action is commenced and is continuing in relation to the activities of the Fund or any Fund Service Provider for reasons of any alleged wrongdoing, breach of any rule or any regulation or other similar reason, which allegation would, if true, in the determination of the Calculation Agent, have a material effect on the Official Net Asset Value;
  - (iii) loss of an applicable licence or regulatory authorisation necessary for the conduct of the business of the Fund or any Fund Service Provider or any replacement Fund Service Provider (unless the Calculation Agent determines that such event is immaterial);
  - (iv) the instigation or resolution of any legal action, arbitration or equivalent measure (including as a result of any allegation of fraud or misdealing) against the Fund or any Fund Service Provider which proceedings, if successful, would, in the determination of the Calculation Agent, have a material adverse effect on the Fund Value;
  - (v) a material change (as determined by the Calculation Agent) to the legal constitution or management of the Fund including, but not limited to, a change in the Fund Manager, or a

change in the Fund Manager's organisation or management (including, but not limited to, a merger or other reorganisation event which materially alters the nature of the Fund or the nature and role of the Fund Manager in relation to the Fund);

- (vi) a material modification (as determined by the Calculation Agent) of the provisions relating to investment objectives, strategies, restrictions and requirements of the Fund as set out in its Fund Prospectus (the “**Investment Objective and Strategy**”);
  - (vii) a material breach (as determined by the Calculation Agent) of the Fund’s Investment Objective and Strategy and such breach has not been cured within ten calendar days to the satisfaction of the Swap Counterparty;
  - (viii) a material breach (as determined by the Calculation Agent) of the Investment Objective and Strategy on three or more separate occasions, provided that the cure period stated in (vii) above therein shall not apply in respect of any third or subsequent breach;
  - (ix) the aggregate net asset value of the Fund decreases by more than the Fund NAV Threshold (as defined below) since the Trade Date, as determined by the Calculation Agent;
  - (x) the aggregate net asset value of assets managed by the Fund Manager decreases by more than the Fund Manager NAV Threshold (as defined below) since the Trade Date, as determined by the Calculation Agent;
  - (xi) the Fund Unit’s accounting currency changes;
  - (xii) the Fund adopts series accounting or equalisation treatment or another similar mechanism, such that the Hedging Entity is not able to make a single unitised investment in a Fund Unit equivalent to the single unitised investment used in the calculation of the Fund Value, unless such application has been agreed by the Hedging Entity;
  - (xiii) a material breach by the Fund Manager or any affiliate of the Fund Manager of any agreement with the Hedging Entity in place on the Trade Date in relation to the hedging of the Transaction; or
  - (xiv) the Fund does not comply with the Inclusion Conditions;
- (b) any of the events in respect of a Fund Unit and the related Fund set out in subparagraphs (i) to (v) below that is not remedied reasonably promptly by the Fund (or within the applicable cure periods specified below) to the reasonable satisfaction of the Calculation Agent and that, in the sole determination of the Calculation Agent, has a material effect on the ability of the Hedging Entity to hedge its obligations in respect of the Transaction:
- (i) a mandatory redemption occurs (in whole or in part) in respect of any holding of the Fund Units by the Hedging Entity;
  - (ii) the Fund charges the Hedging Entity a transaction fee (or equivalent) for any subscription or redemption of its Fund Units;
  - (iii) the Hedging Entity is unable to subscribe for or redeem Fund Units on a Fund Business Day (as defined below);
  - (iv) the subscription or redemption terms in respect of the Fund provide (a) for subscriptions or redemptions less frequently than the Subscription Frequency and Redemption Frequency (each as defined below), (b) for notification periods in respect of subscriptions or redemptions longer than the Subscription Notice Period and Redemption Notice Period (each as defined below), respectively, and (c) for settlement periods in respect of redemptions longer than the Redemption Settlement Period (as defined below); or
  - (v) the Fund suffers a material adverse change in its legal, accounting, regulatory or tax treatment that would or does adversely affect the Hedging Entity as holder of the Fund Units or the Hedging Entity becomes subject to taxes or other similar fees payable in respect of a subscription or redemption of the Fund Units and in each case, such change has not been cured within 30 calendar days, provided that the Hedging Entity shall use reasonable efforts to mitigate any such effect.

“**Inclusion Conditions**” means, in respect of a Fund Unit and the related Fund, each of the following conditions:

- (a) **Liquidity:** the Fund shall offer investors the ability to redeem Fund Units held by them or to subscribe for further Fund Units on each Fund Business Day based on the Fund Value for such day, provided such investors shall give notice (i) a number of Fund Business Days, equal to the relevant Subscription Notice Period or Redemption Notice Period (as the case may be), preceding such day and (ii) in accordance with the relevant procedures prescribed by the Fund. The Fund's terms for payout of redemption proceeds need not be on the same day, but can be up to five Business Days afterwards;
- (b) **Fee Structure:** the Fund shall not charge the Hedging Entity (i) a subscription fee for the subscription of the Fund Units or (ii) a redemption fee for the redemption of the Fund Units, or (iii) taxes of other similar fees payable in respect of a subscription or redemption of the Fund Units;
- (c) **Minimum Fund Size:** the Fund shall have an aggregate net asset value (as reported by its Fund Manager) of a minimum size equal to the Minimum Fund Size (as defined below); and
- (d) **Publication Requirement:** the Fund shall report the Fund Value for each Fund Business Day applicable to it, which Fund Value shall be reported by the Fund Manager no later than close of business on the following Fund Business Day.

*Consequences of a Fund Defeasance Event*

If the Calculation Agent determines that a Fund Defeasance Event has occurred in respect of a Fund, the Calculation Agent may, but is not obliged to, determine a date (the “**Defeasance Date**”) for which the Calculation Agent will calculate an amount (the “**Unscheduled Termination Amount**”), payable on the Additional Payout Amount Payment Date, in place of the Swap Counterparty Equity Final Exchange Amount.

For the avoidance of doubt, no other amount shall be payable in respect of the Transaction on account of interest or otherwise following such determination by the Swap Counterparty.

“**Fund Defeasance Event**” means, in respect of a Fund Unit and the related Fund, any of the following events in respect of the Fund:

- (a) where a Fund Substitution Event has occurred, the Calculation Agent declares that a substitution cannot be effected with a suitable Substitute Fund;
- (b) a Disruption Event exists and subsists at any time during the period from, but excluding, the Initial Valuation Date to, and excluding, the Final Valuation Date for a consecutive number of days equal to the Maximum Days of Disruption (as defined below); or
- (c) as a result of (i) any adoption of, or change in, law or regulation or its interpretation, (ii) any determination of a regulatory or taxation authority applicable to the Hedging Entity or such Fund, or (iii) the application of the Hedging Entity's regulatory capital treatment or funding treatment of the Transaction or its associated hedging arrangements or any change thereto, whereupon: (A) it becomes unlawful or prohibited for the Hedging Entity (including any adverse change in restrictions imposed by or on the Hedging Entity) to hold, purchase, sell, redeem or otherwise create, transfer or receive any interest in the Fund; (B) the cost of the hedging arrangements in respect of the Transaction would be materially increased (including circumstances (1) requiring the Hedging Entity to adversely modify any reserve, special deposit, funding arrangement or similar requirement imposed by or on the Hedging Entity, (2) that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of its hedging arrangements, or (3) which subject the Hedging Entity to any loss or additional taxation); or (C) there would be a material decline in the Fund Value of such Fund.

Provided that the Transaction is not terminated for reasons of illegality or due to an event of default, the “**Unscheduled Termination Amount**” means an amount in the Settlement Currency, payable on the Termination Date, equal to the value of the unpaid Swap Counterparty Equity Final Exchange Amount on the Defeasance Date (which may be equal to or greater than zero as at such date) (the “**Termination Equity Amount Value**”), as calculated by the Calculation Agent by reference to such factors as it determines

appropriate (including, but not limited to, the value, expected future performance and/or volatility performance and/or volatility of the underlying asset(s)), *plus* any interest accrued on the value of the Termination Equity Amount Value from, and including, such date to, but excluding, the date on which the Transaction is redeemed (calculated by reference to the prevailing interbank overnight interest rates in the relevant currency).

Otherwise, the “**Unscheduled Termination Amount**” means an amount in the Settlement Currency (which may be greater than or equal to zero) equal to the value of the unpaid Swap Counterparty Equity Final Exchange Amount immediately prior to their redemption, calculated by the Calculation Agent using its internal models and methodologies and which may be based on, among other things, the following:

- (a) the time remaining until the Termination Date of the Transaction;
- (b) the interest rates at which banks lend to each other;
- (c) the interest rate at which the Swap Counterparty (or its affiliates) is charged to borrow cash;
- (d) the expected future performance and volatility of the Fund;
- (e) the liquidity of each component of the Fund; and
- (f) any other information which the Swap Counterparty deems relevant.

Provided that in the case of a redemption pursuant to an event of default, the calculation of the Unscheduled Termination Amount shall not take into account the financial position of the Swap Counterparty immediately prior to the event of default (for the avoidance of doubt, the Swap Counterparty shall be presumed to be able to fully perform its obligations under such Transaction for such purposes).

Notwithstanding anything contained elsewhere in these terms, the Calculation Agent shall take into account any Fund Disruption Event, Fund Substitution Event or Fund Adjustment Event that affects any determination of the Unscheduled Termination Amount.

#### *Consequences of a Fund Adjustment Event*

If the Calculation Agent determines that a Fund Adjustment Event has occurred in respect of a Fund, the Swap Counterparty may, but is not obliged to, make any adjustment it deems appropriate to the terms and conditions of the Transaction at any time to account for the economic effect on the Transaction of such Fund Adjustment Event and to preserve the original economic objective and rationale of the Transaction.

“**Fund Adjustment Event**” means, in respect of a Fund Unit and the related Fund, any of the following events:

- (a) the Fund subdivides, consolidates, or reclassifies the Fund Units (including any sidepocket issuance) or a distribution or dividend of any Fund Units or any other interest in the Fund to any existing holder by way of bonus, capitalisation, reorganisation of the Fund or similar issue;
- (b) any circumstances where, although the Fund Value of the Fund is published, the Calculation Agent reasonably determines that such value is not accurate or that any transaction in respect of the Fund could not be transacted at such value or with a cash consideration in full, and to be received as regularly scheduled (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Fund Disruption Event);
- (c) the inability of the Hedging Entity to liquidate Fund Units in accordance with the Redemption Frequency, the Redemption Notice Period and the Redemption Settlement Period (including the application of any gating, side-pocketing or other arrangement affecting the Hedging Entity) and any change in the subscription or redemption terms of the Fund Units including, but not limited to, the form of payment, schedule of payments or notice periods that were not otherwise applicable to the Hedging Entity as of the Trade Date;
- (d) the Fund takes any action that may have a diluting or concentrative effect on the theoretical value of the Fund Units;
- (e) the Fund suffers a material adverse change in its accounting, regulatory or tax treatment which does or would adversely affect holders of the Fund Units, or where the Hedging Entity suffers or would

suffer such adverse treatment as a result of the adoption of any accounting, regulatory or tax treatment in respect of a holding of any Fund Units;

- (f) a material change in any fee arrangement that is in place on the Trade Date, temporary or otherwise, between the Hedging Entity and a Fund or the Fund Manager of the Fund; or
- (g) a material breach by the Fund Manager or any affiliate of the Fund Manager of any agreement with the Hedging Entity in place on the Trade Date in relation to the hedging of the Transaction.

#### *Notices*

Upon making any determination with respect to any Fund Event (as defined below), the Calculation Agent shall give notice as soon as practicable to the Issuer, provided that failure to give such notice shall not affect the validity of the aforementioned events or any action taken.

#### *General Definitions*

“**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Stockholm.

“**Fund Administrator**” means, in respect of a Fund, the entity specified in the prospectus of the Fund as responsible for the administration and the determination and reporting of the Official Net Asset Value of such Fund.

“**Fund Business Day**” means, in respect of a Fund, a day on which the Fund Administrator shall calculate and publish an Official Net Asset Value of the Fund in accordance with its prospectus.

“**Fund Custodian**” means, in respect of a Fund, the entity specified in the prospectus of the Fund as responsible for the custody of the assets of the Fund.

“**Fund Event**” means, in respect of a Fund, a Disruption Event, Fund Substitution Event, Fund Adjustment Event or Fund Defeasance Event.

“**Fund Manager**” means, in respect of a Fund, the entity specified in the prospectus of the Fund as responsible for providing investment management advice to such Fund.

“**Fund Manager NAV Threshold**” means an amount in SEK specified as such in the applicable Final Terms.

“**Fund NAV Threshold**” means an amount in SEK specified as such in the applicable Final Terms.

“**Fund Prospectus**” means, in respect of a Fund, the offering document for that Fund, as updated, reissued or supplemented from time to time.

“**Fund Service Provider**” means, in respect of a Fund, each of the Fund Manager, the Fund Administrator, the Fund Custodian and any additional service provider (if any).

“**Fund Unit**” means, in respect of a Fund, a share or a notional unit of account of ownership of the Fund.

“**Hedging Entity**” means Credit Suisse International.

“**Hypothetical Investor**” means a hypothetical investor in the relevant Fund or any other security received as a distribution in respect of the relevant Fund located in any relevant jurisdiction.

“**Maximum Days of Disruption**” means, in respect of a Fund, a consecutive number of Fund Business Days equal to 7.

“**Minimum Fund Size**” is an amount in SEK specified as such in the applicable Final Terms.

“**Official Net Asset Value**”, “**Fund Value**” or “**Asset Value**” means, in respect of a Fund, the net asset value per unit as calculated and reported by the Fund Administrator, provided that, the Official Net Asset Value in respect of a Valuation Day which is not a Fund Business Day, shall be the Official Net Asset Value in respect of the Fund Business Day immediately following such date.

“**Redemption Frequency**” is daily.

“**Redemption Notice Period**” is the same day.

“**Redemption Settlement Period**” is 1 Business Day.

“**Subscription Frequency**” is daily.

“**Subscription Notice Period**” is the same day.

“**Settlement Currency**” is SEK.

“**Termination Date**” means the later of:

- (i) the date specified in the applicable Final Terms; and
- (ii) 3 Business Days following Hedging Entity’s receipt of full redemption proceeds from the unwinding of its hedge in respect of the Final Valuation Date.

“**Trade Date**” means the date specified as such in the applicable Final Terms.

**Deduction of Performance Fee if Ongoing Fee Arrangement (i.e. GAP+) is applicable**

In respect of a Fund-Linked Class of Notes to which the Ongoing Fee Arrangement is applicable, a Performance Fee may be deducted in the calculation of any Swap Counterparty Equity Final Exchange Amount (prior to the relevant Additional Payout Amount being paid in respect of such Class) payable by the Swap Counterparty under the relevant Fund Swap Transaction. In mathematical terms, the Performance Fee in respect of a Fund-Linked Class of Notes will be an amount determined by the Calculation Agent in accordance with the following formula pursuant to the terms of the Fund Swap Transaction relating to such Class:

$$\text{Performance Fee} = \text{Initial Class Aggregate Nominal Amount} \times \text{Fee Rate} \times \text{Fee Multiplier}$$

For the purpose of calculating the Performance Fee, the Initial Class Aggregate Nominal Amount of the relevant Class shall be reduced from time to time as a result of any purchase and cancellation of Notes of such Class pursuant to Master Conditions 8(r) (*Purchases*) and 8(s) (*Cancellation*).

“**Fee Multiplier**” means, in respect of a Fund-Linked Class of Notes, a number (expressed as a percentage) equal to (a) (X) the *product* of the Participation and the Reference Portfolio Return; *plus* (Y) 100%; *multiplied by* (Z) the Relevant Fee Calculation Factor; *minus* (b) 100%; provided that the Fee Multiplier shall be subject to a minimum of zero.

“**Fee Rate**” means, in respect of a Fund-Linked Class of Notes, 10%.

“**Relevant Fee Calculation Factor**” means, in respect of a Fund-Linked Class of Notes, the applicable Fee Calculation Factor as at the Additional Payout Amount Payment Date in respect of such Class of Notes.

## DESCRIPTION OF THE FUND

*Information contained in this section headed “Description of the Fund” and any other information contained in this Base Prospectus relating to the Fund has been extracted from information provided by Catella Fondförvaltning AB as the fund manager (the “Fund Manager”) of the Fund to the Issuer. The Issuer confirms that the extracted information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

*The information contained in this section headed “Description of the Fund” has been extracted from information provided to the Issuer by the Fund Manager. The Issuer confirms the accurate reproduction of the extracted information but accepts no further or other responsibility in respect of such information. So far as the Issuer is aware or able to ascertain from such published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not been responsible for, nor has it undertaken, any investigation or verification of statements, including statements as to foreign law, contained in such information. The Issuer has not conducted any due diligence on such information. The Issuer has only made very limited enquiries with regards to such information. Otherwise, the Issuer has not made any enquiries in relation to such information. The Issuer does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of such information and prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the same.*

The Fund is a “special fund” in accordance with the Swedish Alternative Investment Fund Managers Act (the “AIFMA”). The relevant regulator in its country of establishment is the Swedish Financial Supervisory Authority (*Finansinspektionen*). The Fund was established on 1 March 2004.

The management company of the Fund is the Fund Manager, domiciled at Birger Jarlsgatan 6, SE-103 90 Stockholm, Sweden, whose telephone number is +46 8 614 2500. The Fund Manager was established in 1997 in a collaboration with two savings banks in Sweden, Sparbanken Finn in Lund and Sparbanken Gripen in Ängelholm. The Fund Manager is a Swedish registered *Aktiebolag* and is under the supervision of the Swedish Financial Supervisory Authority, with registry number 556533-6210. The Fund Manager complies with the corporate governance regime applying to it under the laws of Sweden. The Fund Manager complies with the companies act of Sweden, the Swedish Investment Funds Act (SFS 2004:46) and the Regulations FFFS 2013:10 and FFFS 2013:9 of the Swedish Financial Supervisory Authority (*Finansinspektionen*) governing investment funds and alternative investment fund managers. The Fund Manager is a fully owned subsidiary of Catella AB, which is listed on Nasdaq OMX First North.

As at 30 April 2016, the Fund Manager has assets under management of approximately EUR 4.2 billion and manages approximately 11,000 clients and portfolios. The Fund Manager manages a total of 10 funds of which one is Catella Hedgefond, SEK retail class (the “Fund”). As at the end of 2015, the Fund’s net asset value was approximately SEK 15.5 billion.

Erik Kjellgren is the chief executive officer of the Fund Manager and Ulf Strömsten is the responsible fund manager of the Fund. Further details of the management of the Fund are set out in the prospectus of the Fund. There are no conflicts of interest among the members of the management of the Fund.

As at the date of this Base Prospectus, no member of the management of the Fund:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) has been bankrupt or been a director of any company or been a member of the administrative, management, supervisory body of an issuer or a senior manager of an issuer at the time of any receivership or compulsory or creditors’ voluntary liquidation for at least the previous five years;
- (c) has been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors;

- (d) has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) has been subject to any official public incrimination of him by any statutory or regulatory authority (including designated professional bodies) nor has he been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, for at least the previous five years.

None of the members of the management of the Fund has a service contract with the Fund providing for benefits upon termination of employment, nor are any such contracts proposed.

The depositary for the Fund is Skandinaviska Enskilda Banken AB (publ), corporate registration number 502032-9081 (the “**Depositary**”). The registered office of the Depositary is SE-106 40 Stockholm, Sweden and its telephone number is +46 8 763 6033. The Depositary is incorporated in Sweden and is under the supervision of the Swedish Financial Supervisory Authority. The duties of the Depositary include executing the Fund Manager’s instructions pertaining to the Fund if the instructions do not conflict with the provisions of the AIFMA, the articles of association or the rules of the Fund.

The auditor of the Fund is PricewaterhouseCoopers AB (a member of the Association of Certified Public Accountants (*Föreningen Auktoriserade Revisorer*) in Sweden) of 113 97 Stockholm, Sweden. PricewaterhouseCoopers AB has been the auditor of the Fund for the previous three financial years.

The net asset value of the Fund is calculated each banking day in Sweden by deducting liabilities related to the Fund, including accrued expenses and taxes, from the assets. Financial instruments included in the Fund are valued at fair value and if such price information is unavailable or misleading, the latest bid or ask price will be used. Accordingly, the net asset value per fund unit is calculated on each banking day and this information is published on the Fund Manager’s website.

The Fund is intended for the general public. As at the date of this Base Prospectus, the portfolio of the Fund includes investments in equities, single stock derivatives, index futures, options and government and corporate bonds. The Fund is a low risk equity multi-strategy hedge fund with an objective to earn good stable absolute return on invested capital. The Fund invests mainly in the Nordic region and may use derivatives for both hedging and investment purposes.

The maximum value of leverage for the Fund is 350% based on calculations using the gross method and 150% based on calculations using the commitment method. Short term cash loans may be raised as long as they do not exceed 50% of the Fund’s value and have a term of no longer than three months. As at the date of this Base Prospectus, the Fund does not have an investment in which more than 20% of its gross assets are invested.

The Fund’s maximum charge is 1.15% of the net asset value of the fund per year of which fixed fees paid to the Fund Manager will not exceed 1.0% of the net asset value of the fund per year calculated on a daily basis. A performance fee of 20% shall also be paid to the Fund Manager *plus* any applicable VAT. Fixed fees paid to the Depositary shall not exceed 0.15% of the net asset value of the Fund per year.

There has been no significant change in the financial or trading position and no material adverse change in the prospects of the Fund since 31 December 2015 (the end of the last financial period for which audited financial information of the Fund has been made available).

As at the date of this Base Prospectus, in respect of the Fund, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Fund is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Fund.

### **Management and Supervisory Board Positions in other Companies**

In addition to their membership of the management board of the Fund, the following members are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

**Mr. KJELLGREN, Erik**

Name (client company)	Corporate Body	Position	Mandated period	Country/State
Agent Clay AB	Board Member	Chairman	May 2013 – December 2014	Sweden

The current term of office of Mr Erik Kjellgren as chief executive officer of the Fund Manager does not have a fixed expiry date. Mr Erik Kjellgren has served in that office since 1 August 2014.

**Mr. STRÖMSTEN, Ulf**

Mr Ulf Strömsten has not been a member of the administrative, management or supervisory bodies or a partner of any other companies or partnerships at any time in the previous five years.

The current term of office of Mr Ulf Strömsten as responsible fund manager of the Fund does not have a fixed expiry date. Mr Ulf Strömsten has served in that office since 1 September 2003.

**Fund Documents**

The following documents relating to the Fund are attached hereto:

- (a) the prospectus of the Fund dated 3 May 2016;
- (b) the fund rules of the Fund;
- (c) the key investor document relating to the Fund dated 12 February 2016; and
- (d) the audited financial reports of the Fund for the financial years which ended on 31 December 2015, 31 December 2014 and 31 December 2013 translated into English from the original in Swedish.

## DESCRIPTION OF THE EQUITY SWAP TRANSACTIONS

### Equity Swaps

Equity swap transactions are usually derivative transactions entered into between two parties to create a right for the parties to make and receive payments that match or track the performance of one or more shares. In respect of an Equity-Linked Class or Equity Index-Linked Class of Notes, the Equity Swap Transaction is a bespoke transaction, the final exchange amount receivable by the Issuer under which will determine any Additional Payout Amount payable in respect of such Class of Notes. Such final exchange amount is referred to in this section as the Swap Counterparty Equity Final Exchange Amount.

The Equity Swap Transaction relating to an Equity-Linked Class of Notes references the performance of the Class Equity Basket. The Equity Swap Transaction relating to an Equity Index-Linked Class of Notes references the performance of the applicable Class Equity Index Basket. Whether any Swap Counterparty Equity Final Exchange Amount shall be receivable by the Issuer under the Equity Swap Transaction, and accordingly whether any Additional Payout Amount shall be payable as part of the redemption amounts on the Notes in respect of the relevant Class, will depend in part on the relative performance of the corresponding Class Equity Basket or Class Equity Index Basket (as applicable).

The Swap Counterparty Equity Final Exchange Amount is subject to a floor of zero. As a result, if the relative performance of the Class Equity Basket or the Class Equity Index Basket (as applicable), calculated under the Equity Swap Transaction decreases, this will simply result in no Swap Counterparty Equity Final Exchange Amount being receivable by the Issuer under the Equity Swap Transaction, and therefore no Additional Payout Amount being payable in respect of an Equity-Linked Class or an Equity Index-Linked Class of Notes.

A description of the Equity Swap Transactions, including of the amounts potentially receivable by the Issuer thereunder and the related definitions, is set out in the section of this Base Prospectus entitled “*Transaction Description*” under the heading “*Impact of the Equity Swap Transaction on an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes*”.

### Class Equity Basket and Class Equity Index Basket

The Swap Counterparty Equity Final Exchange Amount (if any) payable to the Issuer under the Equity Swap Transaction (and, accordingly, the Additional Payout Amount (if any) in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes) will depend in part on the performance of the corresponding Class Equity Basket or Class Equity Index Basket (as applicable). (a) The constituent share or shares of the Class Equity Basket or (b) the constituent index or indices of shares of the Class Equity Index Basket, shall be set out in the applicable Final Terms or the Confirmation for the Equity Swap Transaction

Information (including information as to their past and future performance and volatility) about the share or shares included in the Class Equity Basket and/or index or indices of shares included in the Class Equity Index Basket (as applicable) may be obtained on Bloomberg.

### Payments under the Equity Swap Transactions

The Swap Counterparty Equity Final Exchange Amount in respect of an Equity Swap Transaction will be determined by reference to a formula. A description of the formula is set out in the section of this Base Prospectus entitled “*Transaction Description*” under the heading “*Formula for calculating the Swap Counterparty Equity Final Exchange Amount and the Additional Payout Amount in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes*”.

In mathematical terms:

#### 1. Ordinary Fee Arrangement

If the Ordinary Fee Arrangement is specified as applicable in the applicable Final Terms:

- (a) if FX Factor is specified as not applicable in the applicable Final Terms:
  - (i) the Swap Counterparty Equity Final Exchange Amount in respect of the Equity Swap Transaction in relation to an Equity-Linked Class of Notes will be an amount in SEK

payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Return}\}$$

- (ii) the Swap Counterparty Equity Final Exchange Amount in respect of the Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Index Return}\}$$

- (b) if FX Factor is specified as applicable in the applicable Final Terms

- (i) the Swap Counterparty Equity Final Exchange Amount in respect of the Equity Swap Transaction in relation to an Equity-Linked Class of Notes will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Return}\} \times \text{FX Factor}$$

- (ii) the Swap Counterparty Equity Final Exchange Amount in respect of the Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Index Return}\} \times \text{FX Factor}$$

## 2. Ongoing Fee Arrangement

If the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms:

- (a) if FX Factor is specified as not applicable in the applicable Final Terms

- (i) the Swap Counterparty Equity Final Exchange Amount in respect of an Equity Swap Transaction in relation to an Equity-Linked Class of Notes of Notes will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Return}\} - \text{Performance Fee}$$

- (ii) the Swap Counterparty Equity Final Exchange Amount in respect of an Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Index Return}\} - \text{Performance Fee}$$

- (b) if FX Factor is specified as applicable in the applicable Final Terms

- (i) the Swap Counterparty Equity Final Exchange Amount in respect of an Equity Swap Transaction in relation to an Equity-Linked Class of Notes of Notes will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Return}\} \times \text{FX Factor} - \text{Performance Fee}$$

- (ii) the Swap Counterparty Equity Final Exchange Amount in respect of an Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes will be an amount in SEK payable by the Swap Counterparty and determined by the Calculation Agent in accordance with the following formula:

$$\text{Swap Notional Amount} \times \text{Participation} \times \text{Max}\{0, \text{Equity Index Return}\} \times \text{FX Factor} - \text{Performance Fee}$$

where:

“**Averaging Dates**” means the dates specified as such in the confirmation of the Equity Swap Transaction, subject to adjustments to account for certain disruptions in respect of the relevant Share<sub>i</sub> or Index<sub>i</sub> (as applicable).

“**Equity Index Return**” means, in respect of the Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes, the return (expressed as a percentage) calculated as follows:

$$\sum_{i=1}^n \left( \left( \frac{\text{Final Level}_i}{\text{Initial Level}_i} - 100\% \right) (W_i) \right)$$

“**Equity Return**” means, in respect of the Equity Swap Transaction in relation to an Equity-Linked Class of Notes:

- (a) where Method 1 is specified as the Equity Final Exchange Amount Calculation Method, the return (expressed as a percentage) calculated as follows:

$$\frac{1}{n} \sum_{i=1}^n \left( \frac{\text{Final Level}_i}{\text{Initial Level}_i} - 100\% \right)$$

- (b) where Method 2 is specified as the Equity Final Exchange Amount Calculation Method, the return (expressed as a percentage) calculated by deducting 100% from the result of the following formula:

$$\frac{\left[ \sum_{i=1}^{K-NOR} \text{Worst Underlying Asset Performance}(i) \right] + (1 + RL) \times NOR}{K}$$

where:

“**Best Performing Shares**” means a number of shares (equal to NOR) within the Class Equity Basket with the highest Underlying Asset Performance, as determined by the Calculation Agent;

“**K**” means the number of individual Shares referenced in the Class Equity Basket;

“**NOR**” means an integer no greater than K specified as such in the confirmation of the Equity Swap Transaction;

“**RL**” means the Replacement Level (expressed as a percentage) specified in the confirmation of the Equity Swap Transaction;

“**Underlying Asset Performance**” means, in respect of a Share<sub>i</sub> within the Class Equity Basket, the quotient of the Final Level<sub>i</sub> and the Initial Level<sub>i</sub>;

“**Worst Performing Shares**” means the remaining shares within the Class Equity Basket other than the Best Performing Shares, as determined by the Calculation Agent; and

“**Worst Underlying Asset Performance**” means, in respect of the Class Equity Basket, the Underlying Asset Performance of each of the Worst Performing Shares.

“**Fee Multiplier**” means, in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, a number (expressed as a percentage) equal to (a) (X) the *product* of the Participation and the Equity Return or the Equity Index Return (as applicable) and the FX Factor (if applicable); *plus* (Y) 100%; *multiplied by* (Z) the Relevant Fee Calculation Factor; *minus* (b) 100%; provided that the Fee Multiplier shall be subject to a minimum of zero.

“**Fee Rate**” means, in respect of an Equity-Linked Class of Notes and/or Equity Index-Linked Class of Notes, 10%.

“**Final Level<sub>i</sub>**” means the arithmetic mean of the official closing level of Share<sub>i</sub> or Index<sub>i</sub> (as applicable) on each Averaging Date, as determined by the Calculation Agent.

“**FX Business Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange in accordance with the practice of a foreign exchange market) in the principal financial centre of the Settlement Currency (as defined in the Equity Swap Transaction) and a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is operating.

“**FX Factor**” is calculated as follows:

$$\frac{FX Rate_T}{FX Rate_0}$$

“**FX Rate<sub>0</sub>**” means the FX Rate in respect of the Initial Rate Calculation Date, as determined by the Calculation Agent.

“**FX Rate<sub>T</sub>**” means the FX Rate in respect of the Rate Calculation Date, as determined by the Calculation Agent.

“**FX Rate**” means:

- (a) where USD/SEK FX Rate is specified as applicable in the applicable Final Terms, the daily fixing rate of exchange of the number of SEK per USD 1, rounded to four decimal places, such rate as calculated at 4:00 p.m. London time and published by WM Company on the relevant Reuters page on such date, or such successor page or rate, or if any such rate or page is not available, such other rate as selected or determined by the Calculation Agent;
- (b) where EUR/SEK FX Rate is specified as applicable in the applicable Final Terms, the daily fixing rate of exchange of the number of SEK per EUR 1, rounded to four decimal places, such rate as calculated at 4:00p.m. London time and published by WM Company on the relevant Reuters page on such date, or such successor page or rate, or if any such rate or page is not available, such other rate as selected or determined by the Calculation Agent; or
- (c) where GBP/SEK FX Rate is specified as applicable in the applicable Final Terms, the daily fixing rate of exchange of the number of SEK per GBP 1, rounded to four decimal places, such rate as calculated at 4:00p.m. London time and published by WM Company on the relevant Reuters page on such date, or such successor page or rate, or if any such rate or page is not available, such other rate as selected or determined by the Calculation Agent.

The FX Rate will be subject to corrections, if any, as a result of information subsequently displayed by the source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its discretion, acting in good faith and in a commercially reasonable manner, that it is not practicable to take into account such correction.

“**i**” means:

- (a) in respect of the Equity Swap Transaction in relation to an Equity-Linked Class of Notes, a unique integer from one (1) to any positive integer (n), each representing an individual Share, as specified in the confirmation of the Equity Swap Transaction; and
- (b) in respect of the Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes, a unique integer one (1) to any positive integer (n), each representing an individual Index, as specified in the confirmation of the Equity Swap Transaction.

“**Initial Level<sub>i</sub>**” means, in respect of the Class Equity Basket or Class Equity Index Basket:

- (a) if a single Initial Setting Date is set out in the applicable Final Terms, the official closing level of Share<sub>i</sub> or Index<sub>i</sub> (as applicable) on such Initial Setting Date, as determined by the Calculation Agent; or
- (b) if multiple Initial Setting Dates are specified in applicable Final Terms, the lowest official closing level of Share<sub>i</sub> or Index<sub>i</sub> (as applicable) on the Initial Setting Dates, as determined by the Calculation Agent.

“**Initial Rate Calculation Date**” means the Trade Date in respect of the relevant Equity Swap Transaction .

“**Initial Setting Date(s)**” means dates specified as such in the confirmation of the Equity Swap Transaction, subject to adjustments to account for certain disruptions in respect of the relevant Share<sub>i</sub> or Index<sub>i</sub> (as applicable).

“**Max**” means, when followed by a series of amounts (or values) inside brackets, whichever is the greater of the amounts (or values) separated by a comma inside those brackets.

“**n**” means:

- (a) in respect of the Equity Swap Transaction in relation to an Equity-Linked Class of Notes, an integer equal to the number of individual Shares, as specified in the applicable Final Terms under the heading “*Class Equity Basket*”; and
- (b) in respect of the Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes, an integer equal to the number of individual Indices, as specified in the applicable Final Terms under the heading “*Class Equity Index Basket*”.

“**Participation**” means a percentage to be determined by the Issuer or the Calculation Agent on its behalf and notified to the Noteholders on or about the Issue Date which will be set out in the confirmation of the Equity Swap Transaction .

“**Performance Fee**” means, if the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, an amount determined by the Calculation Agent in accordance with the following formula pursuant to the terms of the Equity Swap Transaction relating to such Class:

$$\text{Performance Fee} = \text{Initial Class Aggregate Nominal Amount} \times \text{Fee Rate} \times \text{Fee Multiplier}$$

For the purpose of calculating the Performance Fee, the Initial Class Aggregate Nominal Amount of the relevant Class shall be reduced from time to time as a result of any purchase and cancellation of Notes of such Class pursuant to Master Conditions 8(r) (*Purchases*) and 8(s) (*Cancellation*).

“**Rate Calculation Date**” means the FX Business Day immediately following the latest occurring Averaging Date for any Share<sub>i</sub> or Index<sub>i</sub> (as applicable), as determined by the Calculation Agent.

“**Relevant Fee Calculation Factor**” means, in respect of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes, the applicable Fee Calculation Factor as at the Additional Payout Amount Payment Date in respect of such Class of Notes.

“**Swap Notional Amount**” means an amount in SEK equal to the *product of* (x) the Initial Class Aggregate Nominal Amount of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes as at the Issue Date, subject to reduction at any time and from time to time as a result of any purchase and cancellation of Notes of that Class pursuant to Master Conditions 8(r) (*Purchases*) and 8(s) (*Cancellation*) and (y) if the Ongoing Fee Arrangement is specified as applicable in the applicable Final Terms, the relevant Fee Calculation Factor.

“**Wi**” means, in respect of an Equity Swap Transaction relating to an Equity Index-Linked Class of Notes, the weighting of Index<sub>i</sub> as specified in the confirmation of the Equity Swap Transaction.

The Swap Counterparty Equity Final Exchange Amount, if any, in respect of the Equity Swap Transaction will be paid to the Issuer on the Reference Business Day immediately preceding the Additional Payout Amount Payment Date of an Equity-Linked Class of Notes or an Equity Index-Linked Class of Notes.

### **Adjustments and disruptions**

In respect of each of the Equity Swap Transaction relating to an Equity-Linked Class of Notes, certain adjustments may be made to the closing levels of any of the constituent shares of the Class Equity Basket and the dates on which such levels are determined for the purposes of the Equity Swap Transaction as a result of the occurrence of: (i) non-Scheduled Trading Days and Disrupted Days; (ii) Market Disruption Events; (iii) Potential Adjustment Events; (iv) a correction of a published price in respect of a share. Any adjustment or disruption due to the occurrence of any such event may delay any Averaging Dates.

In respect of each of the Equity Swap Transaction relating to an Equity Index-Linked Class of Notes, certain adjustments may be made to the closing levels of any of the constituent shares of the Class Equity Index Basket and the dates on which such levels are determined for the purposes of the Equity Swap Transaction as

a result of the occurrence of: (i) non-Scheduled Trading Days and Disrupted Days; (ii) Market Disruption Events; (iii) a correction of a published level in respect of an index. Any adjustment or disruption due to the occurrence of any such event may delay any Averaging Dates.

Pursuant to the terms of:

- (a) the Equity Swap Transaction in relation to an Equity-Linked Class of Notes, Extraordinary Events in respect of the share or shares referenced in the Class Equity Basket (including Merger Events, Tender Offers, De-listing, Nationalization and Insolvency), as well as certain Potential Adjustment Events, may occur; and
- (b) the Equity Swap Transaction in relation to an Equity Index-Linked Class of Notes, Index Adjustment Events in respect of the index or indices referenced in the Class Equity Index Basket (including an Index Modification, Index Cancellation and Index Disruption) may occur.

On the occurrence of one of these events in relation to a share of index, the affected Equity Swap Transaction may be terminated, or the Calculation Agent may:

- (a) select a new underlying share, which will be deemed to be one of the shares in the basket in place of the share, and make adjustments to the terms of the Equity Swap Transaction to account for the economic effect of the event and/or the replacement of the share. Any replacement share will, to the extent practicable, be selected from the same economic sector, have shares denominated in the same currency and have a similar market capitalisation to the relevant replaced share; or
- (b) (i) make adjustments to terms of the Equity Swap Transaction to account for the economic effect of the event and determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, notify the parties that the relevant consequence shall be the termination of the Equity Swap Transaction, in which case the Equity Swap Transaction will be terminated,

in each case, in accordance with the terms of the Equity Swap Transaction.

In respect of each Class of Notes, the Equity Swap Transaction may also be subject to adjustment or early termination upon the occurrence of certain Additional Disruption Events including a Change in Law, Insolvency Filing, Hedging Disruption and Increased Cost of Hedging.

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Calculation Agent under the Swap Agreement may determine:

- (a) the appropriate adjustment, if any, to be made to any one or more of the terms of the Equity Swap Transaction, including without limitation, any variable or term relevant to settlement or payment under the Equity Swap Transaction, as the Calculation Agent determines appropriate to account for the economic effect of such Additional Disruption Event, as applicable, on the Equity Swap Transaction, and determine the effective date of that adjustment; or
- (b) that no adjustments to the terms of the Equity Swap Transaction would achieve a commercially reasonable result, and determine that the Equity Swap Transaction shall be terminated.

In respect of an Equity-Linked Class or an Equity Index-Linked Class of Notes, the termination of the Equity Swap Transaction to which such Class relates will result in the payment of a Class Swap Transaction Termination Payment (if any) to the Issuer by the Swap Counterparty. The holder of each Note of the relevant Class will be entitled to receive its *pro rata* share of the Class Swap Transaction Termination Payment (if any).

For the avoidance of doubt, where the Calculation Agent is required to act or make a determination under the Swap Agreement, it will be its own decision and will do so in good faith and in a commercially reasonable manner.

These adjustment and disruption events (and the related definitions) are summarised below, and certain risks in respect of such events are set out in the section of this Base Prospectus entitled “*Risk Factors*”. Prospective investors must refer to the terms of the Equity Swap Transaction and the Equity Derivatives Definitions incorporated therein by reference for the full meaning and effect of these events.

**Exchange and Related Exchange:** In respect of a Share<sub>i</sub> or Index<sub>i</sub> (as applicable), the exchange or quotation system specified as such in or determined in accordance with the terms of the relevant Equity Swap Transaction. In relation to an Equity Index-Linked Class of Notes, if “Multiple Exchange” is specified as applicable to an index in the relevant Equity Swap Transaction, such index shall be referred to as a Multi-Exchange Index below.

**Non-Scheduled Trading Days:** If any Averaging Date in relation to Share<sub>i</sub> or Index<sub>i</sub> (as applicable) is not a Scheduled Trading Day, the Averaging Date in relation to such Share<sub>i</sub> or Index<sub>i</sub> (as applicable) will be the next following Scheduled Trading Day. A “**Scheduled Trading Day**” is one on which each Exchange or Related Exchange are scheduled to be open for trading for their respective regular trading sessions. In respect of a Multi-Exchange Index, a “**Scheduled Trading Day**” means any day on which: (i) the index sponsor is scheduled to publish the level of the index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

**Disrupted Days:** A Disrupted Day is any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred. In respect of a Multi-Exchange Index, a Disrupted Day is any Scheduled Trading Day on which: (i) the index sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

If any Averaging Date is a Disrupted Day, the Averaging Date for each share or index in the basket not affected by the occurrence of a Disrupted Day shall not change, but the Averaging Date for any share or index that is affected by the occurrence of a Disrupted Day shall be the next Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur (such date being a “**Valid Date**”) in relation to such share or index. If the first Valid Date in respect of the share or index has not occurred in eight Scheduled Trading Days following the original date, that eighth Scheduled Trading Day will be deemed to be the Averaging Date and the Calculation Agent will determine the relevant level for that Averaging Date.

**Market Disruption Events:** Market Disruption Events include, as determined by the Calculation Agent: (a) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the share on the Exchange (or, where applicable, relating to securities that comprise 20 per cent. or more of the level of the relevant index), or (ii) in futures or options contracts relating to the share or index on any relevant Related Exchange; (b) any event (other than an early closure) that disrupts or impairs the ability of market participants in general (i) to effect transactions in, or obtain market values for, the relevant shares on the Exchange (or, where applicable, relating to securities that comprise 20 per cent. or more of the level of the relevant index), or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the share on any relevant Related Exchange; and (c) the closure on any exchange business day of the Exchange or the Related Exchange prior to its scheduled closing time (subject to certain exceptions). In respect of a Multi-Exchange Index, a Market Disruption Event means the occurrence or existence of any of such events specified above in respect of any component security of such index (and that the aggregate of all component securities in respect of which any such event occurs or exists comprises 20 per cent. or more of the level of the index) or futures or options contracts relating to the index, as determined by the Calculation Agent.

**Potential Adjustment Events:** Following a Potential Adjustment Event, the Calculation Agent will determine whether it has a diluting or concentrative effect on the theoretical value of the relevant shares and, if so, will (i) make the adjustments, if any, to any one or more of the variables relevant to the terms of the relevant Equity Swap Transaction to account for that diluting or concentrative effect and (ii) determine the effective date of the adjustment.

Potential Adjustment Events include, but are not limited to: (i) certain subdivisions, consolidations or reclassifications of relevant shares; (ii) free distributions or dividends of any such shares to existing holders; (iii) extraordinary dividends; (iv) calls by an issuer in respect of shares that are not fully paid; (v) a repurchase of shares by the issuer; (vi) events affecting shareholders’ rights; and (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant shares.

**Extraordinary Events:** Extraordinary Events include a Merger Event, Tender Offer, Nationalization, Delisting or Insolvency.

**Merger Event:** A Merger Event includes, but is not limited to: (i) transfer of or an irrevocable commitment to transfer all of such shares outstanding to another entity or person; (ii) consolidation, amalgamation, merger or binding share exchange into another entity or person; (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding shares of the issuer; or (iv) consolidation, amalgamation, merger or binding share exchange of the issuer or its subsidiaries with or into another entity in which the issuer is the continuing entity and which does not result in a reclassification or change of all such shares outstanding, but results in the shares before the event representing less than 50% of the shares immediately following such event.

**Tender Offer:** A Tender Offer includes, but is not limited to, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the issuer of the shares, as determined by the Calculation Agent.

**Nationalization:** Nationalization occurs when all the shares or all or substantially all the assets of an issuer of relevant shares are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

**Delisting:** Delisting occurs when an Exchange announces that pursuant to the rules of such Exchange, the shares will cease to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

**Insolvency:** Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an issuer, (i) all the shares of that issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the shares of that issuer become legally prohibited from transferring them.

**Index Disruption Events:** If (i) on or prior to any valuation date a relevant index sponsor announces that it will make a material change in the formula for or the method of calculating that index or in any other way materially modifies that index (other than a modification prescribed in that formula or method to maintain that index in the event of changes in constituent stock and capitalisation and other routine events) (an “**Index Modification**”) or permanently cancels the index and no successor index exists (an “**Index Cancellation**”) or (ii) on any valuation date the index sponsor fails to calculate and announce a relevant index (an “**Index Disruption**”) and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”).

**Correction of a published Share Price and Index Level:** In the event that any price or level published on the Exchange which is used for any calculation or determination made under the Equity Swap Transaction is subsequently corrected and the correction is published after the original publication by the Exchange within the period it would usually take for settlement of a transaction in the shares to occur under the rules of the Exchange, the Swap Counterparty may notify the parties of that correction in which case the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust the terms of such Equity Swap Transaction to account for such correction.

**Correction of a published FX Rate:** The FX Rate will be subject to corrections, if any, as a result of information subsequently displayed by the source within one hour of the time when such rate is first displayed by such source, unless the Calculation Agent determines in its discretion, acting in good faith and in a commercially reasonable manner, that it is not practicable to take into account such correction.

**Additional Disruption Events:** Change in Law, Insolvency Filing, Hedging Disruption and Increased Cost of Hedging, as applicable.

**Change in Law:** On or after the Trade Date due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or 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 Calculation Agent determines (following receipt of a request from either party for such a determination) in good faith that (i) it has become illegal for a party to the Equity Swap Transaction to hold, acquire or dispose of hedge positions relating to such transaction, or (ii) it will incur a materially increased cost in performing its obligations under such transaction (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) provided that this event shall not apply if the Calculation Agent determines that such party could have taken reasonable steps to avoid such illegality.

**Insolvency Filing:** The share issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the share issuer shall not be deemed an insolvency filing.

**Hedging Disruption:** The Swap Counterparty is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the relevant transaction, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**Increased Cost of Hedging:** The Swap Counterparty would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the relevant transaction, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Swap Counterparty shall not be deemed an Increased Cost of Hedging.

## INDEX DISCLAIMERS

*In respect of an Equity Index-Linked Class of Notes, if the Additional Payout Amount payable by the Issuer in respect of such Class is linked to the performance of any of the following indices, the corresponding index disclaimer shall apply.*

### **MSCI Taiwan Index**

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The Class Equity Original Collateral will be issued pursuant to final terms (the “**UBS Gearing Certificates Final Terms**”) dated on or about the Issue Date of the Certificate-Linked Class of Notes. The relevant UBS Gearing Certificates Final Terms provide additional information in respect of the Class Equity Original Collateral for the purposes of the Equity Original Collateral Obligor’s base prospectus dated 8 January 2016, as updated, reissued or supplemented from time to time (the “**UBS Gearing Certificates Base Prospectus**”). The Equity Original Collateral Obligor intends to apply for listing of the Class Equity Original Collateral on Nasdaq Stockholm. The UBS Gearing Certificates Base Prospectus is available at <http://keyinvest-lu.ubs.com/base-prospectus>.

The UBS Gearing Certificates Base Prospectus, including all information incorporated by reference therein and any and all supplements thereto approved by the Swedish Financial Supervisory Authority and published by the Equity Original Collateral Obligor, constitutes a base prospectus according to Art. 5 (4) of the Prospectus Directive (Directive 2003/71/EC, as amended), as implemented by the relevant provisions of the EU member states and Chapter 2 Section 16 item 1 of the Swedish Financial Instruments Trading Act (*Lag (1991:980) om handel med finansiella instrument*), in connection with Regulation 809/2004 of the European Commission, as amended.

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the Nominal Amount or such other amount as specified in the UBS Gearing Certificates Final Terms with the relevant performance of the Underlying(s), thereafter multiplied by the Participation Factor, the Leverage Factor or the Multiplier, but may also take other factors into account.

The Redemption Amount may be determined by reference to the performance of one or more Underlying(s), as further described in paragraph 3 (*Key Terms of the UBS Gearing Certificates*) below.

## 2. Key Definitions of the UBS Gearing Certificates

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**Calculation Agent:** means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basle, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.

**Conditions:** means General Conditions set out in the UBS Gearing Certificates Base Prospectus together with the Product Terms set out in the applicable UBS Gearing Certificates Final Terms.

**Clearing System:** means Euroclear Sweden AB, Klarabergsviadukten 63, S-111 64 Stockholm, Sweden, in its capacity as central securities depository under the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) or any successor in this capacity.

**Fixing Date:** means the date specified as such in the relevant UBS Gearing Certificates Final Terms. If such day is not a Basket Business Day, the immediately succeeding Basket Business Day shall be the Fixing Date.

In the case of abbreviation or extension of the Subscription Period the Fixing Date may be changed accordingly.

**Fund Business Day:** means any day in respect of which (i) the administrator of the Fund calculates and publishes the Fund's NAV in accordance with the relevant prospectus and constitutional documents of the Fund and (ii) a Notional Investor in the Fund Units of the Fund could subscribe and redeem the Fund Units.

**Governing Law:** means German law. Any reference to reasonable discretion in the Conditions shall be construed as references to reasonable discretion in accordance with § 315 BGB or §§ 315, 317 BGB, as the case may be.

**Initial Payment Date:** means the date specified as such in the relevant UBS Gearing Certificates Final Terms. If such day is not a Banking Day, the immediately

succeeding Banking Day shall be the Initial Payment Date.

In the case of abbreviation or extension of the Subscription Period the Initial Payment Date may be changed accordingly.

**Maturity Date:**

means:

- (i) in case of a redemption of the UBS Gearing Certificates in accordance with § 1 of the Conditions of the UBS Gearing Certificates, the date specified as such in the relevant UBS Gearing Certificates Final Terms (or, if this day is not a Banking Day, the immediately following Banking Day), provided that before this day a Notional Investor would have received full redemption proceeds for the Fund Units, if that Notional Investor had, by giving the appropriate prior notice, requested redemption as at the Last Valuation Averaging Date (if, however, there is a delay in the receipt of the full redemption proceeds for the Fund Units by the Notional Investor, such date will be postponed accordingly), and
- (ii) in case of a termination by the UBS Gearing Certificates Issuer in accordance with § 8 of the Conditions of the UBS Gearing Certificates, the 10th (tenth) Banking Day after the Termination Date, provided that before this day a Notional Investor would have received full redemption proceeds for the Fund Units, if that Notional Investor had, by giving the appropriate prior notice, requested redemption as at the Termination Date (if, however, there is a delay in the receipt of the full redemption proceeds for the Fund Units by the Notional Investor, such date may be postponed to a later date in accordance with the relevant provisions of the relevant UBS Gearing Certificates Final Terms).

**Minimum Trading Size:**

The Minimum Trading Size equals 1 Security.

**Net Asset Value:**

means the relevant Fund's net asset value as calculated and published by the Fund's administrator in accordance with the relevant Fund's prospectus and constitutional documents by adding the value of all the assets of the Fund and deducting the total liabilities (including, in particular but not limited to, any fees (including an advisory fee and an incentive fee) payable to the Fund's advisor, the administrator, the bank and the custodian of the Fund, all borrowings, brokerage fees, provisions for taxes (if any)), allowances for contingent liabilities and any other costs and expenses reasonably and properly incurred to the bank or the custodian of the Fund in effecting the acquisition or disposal of securities or in administering the Fund) of the Fund.

**Nominal Amount:**

The Nominal Amount per Security equals SEK 10,000.00, unless otherwise specified in the relevant UBS Gearing Certificates Final Terms.

**Notional Investor:**

means in relation to each Fund a hypothetical investor in the Fund Units of the Fund.

**Participation Factor:**

The Participation Factor equals the percentage specified as such in the relevant UBS Gearing Certificates Final Terms, such percentage to be fixed on the Fixing Date.\*

**Price of the Basket Component(i):**

means the Net Asset Value of the relevant Fund in relation to the Fund Unit, as calculated and published by the Fund’s administrator in accordance with the relevant Fund’s prospectus and constitutional documents.

For the purpose of calculating such value as of each Valuation Averaging Date, the Calculation Agent, acting in its reasonable discretion (pursuant to § 315 of the BGB), shall determine such value based on the redemption proceeds that a Notional Investor would have received, if that Notional Investor had, for the Fund, subject to it giving the appropriate prior notice, requested redemption of the Fund Units as at the relevant Valuation Averaging Date.

**Principal Paying Agent:**

UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.

**Redemption Currency:**

means Swedish Krona (“SEK”).

**Termination Date**

the date specified as such in the Conditions.

**UBS Gearing Certificates:**

Means securities issued by the UBS Gearing Certificates Issuer in the Issue Size with, unless otherwise specified in the relevant UBS Gearing Certificates Final Terms, the following product features:

Participation Factor:	Applicable
Leverage Factor:	Not Applicable
Multiplier:	Not Applicable
Multiplication Factor:	Not Applicable
Reverse Structure:	Not Applicable
Express Structure:	Not Applicable
Thresholds, Barriers or Levels:	Not Applicable
Maximum Amount:	Not Applicable
Relevant Underlying:	Not Applicable
Physical Delivery:	Not Applicable
Final Lock-In:	Not Applicable
Automatic Termination:	Not Applicable
Currency Conversion:	Not Applicable

Capital Protection:	Not Applicable
No predefined term:	Not Applicable
Time-lagged Valuation:	Not Applicable
Minimum Exercise Size:	Not Applicable
Securityholder's Termination Right:	Not Applicable
Quanto:	Applicable
Consideration of Components:	Not Applicable
Individual Determination:	Not Applicable
Collective Determination:	Applicable

The UBS Gearing Certificates are being issued in uncertificated and dematerialised form to be registered in book-entry form at the Clearing System (also the "Swedish Securities") and will not be represented by definitive securities.

**UBS Gearing Certificates Issuer:**

means UBS AG, Bahnhofstrasse 45, 8001 Zurich, Switzerland, and Aeschenvorstadt 1, 4051 Basel, Switzerland, acting through its London Branch, 1 Finsbury Avenue, London EC2M 2PP, United Kingdom.

**Underlying:**

means a basket (also the "**Basket**") of funds comprising

- (i) units (class A EUR acc, the "**Fund Units<sub>(i=1)</sub>**") in the Carmignac Patrimoine fund (FR0010135103) (the "**Basket Component<sub>(i=1)</sub>**") or, as the case may be, the "**Fund<sub>(i=1)</sub>**");
- (ii) shares (class T, the "**Fund Units<sub>(i=2)</sub>**") in the Ethna-AKTIV fund (LU0431139764) (the "**Basket Component<sub>(i=2)</sub>**") or, as the case may be, the "**Fund<sub>(i=2)</sub>**"; and
- (iii) shares (class Euro Class A-H – Accumulation shares, the "**Fund Units<sub>(i=3)</sub>**") in the M&G Optimal Income Fund (GB00B1VMCY93) (the "**Basket Component<sub>(i=3)</sub>**") or, as the case may be, the "**Fund<sub>(i=3)</sub>**").

The term "Fund Unit", "Basket Component" and "Fund" shall also refer to all Fund Units<sub>(i=1)</sub> to <sub>(i=3)</sub>, all Basket Components<sub>(i=1)</sub> to <sub>(i=3)</sub> and to all Funds<sub>(i=1)</sub> to <sub>(i=3)</sub>.

The weight of the fund basket is for the purposes of calculating amounts under the Conditions adjusted on a continuous basis in accordance with the Target Volatility Strategy (the "**Target Volatility Strategy**").

The Funds and the Target Volatility Strategy are further described in the section "Information about the Underlying", which forms part of the Conditions of the UBS Gearing Certificates.

**Valuation Averaging Date(s):** means each date specified in the UBS Gearing Certificates Final Terms as such (the latest of any such dates, the “**Last Valuation Averaging Date**”).

If one of these days is not a Basket Business Day, the immediately succeeding Basket Business Day is deemed to be the relevant Valuation Averaging Date.

### 3. Key Terms of the UBS Gearing Certificates

#### 3.1 Security Right of the Securityholders

The UBS Gearing Certificates Issuer will warrant to the Securityholder, subject to the performance of the Target Volatility Strategy on the Price of the Basket Components under these Conditions the right (the “Security Right”) to receive the Settlement Amount (§ 1 (2)) in the Redemption Currency, if applicable, commercially rounded to two decimal places (the “Redemption Amount”).

#### 3.2 Settlement Amount

The “**Settlement Amount**” is calculated in accordance with the following formula:

$$\text{Nominal Amount} \times \text{Max} (0, \text{Participation Factor} \times \text{Portfolio Return})$$

Whilst the Settlement Amount is calculated by reference to the Target Volatility Strategy on the Underlying, the UBS Gearing Certificates Issuer is not obliged to invest in the Fund Units as Basket Components. The UBS Gearing Certificates do not give the Securityholders any ownership rights over the assets of the UBS Gearing Certificates Issuer or the Fund Units.

Where:

“**Portfolio Return**” means the return of the Target Volatility Strategy on the Prices of the Basket Components, which is calculated in accordance with the following formula:

$$\frac{\text{Portfolio Value}_{(final)} - \text{Portfolio Value}_{(initial)}}{\text{Portfolio Value}_{(initial)}}$$

With:

“**Portfolio Value<sub>(final)</sub>**” of the Target Volatility Strategy is, subject to a Market Disruption (§ 11 of these Conditions), the arithmetic average of the Portfolio Value<sub>(i)</sub> (as defined in the relevant UBS Gearing Certificates Final Terms) on the Valuation Averaging Dates.

“**Portfolio Value<sub>(initial)</sub>**” of the Target Volatility Strategy is equal to 100%, or as otherwise specified in the relevant UBS Gearing Certificates Final Terms.

#### 3.3 Determinations and Calculations in connection with the Security Right

Any determination and calculation in connection with the Security Right, in particular the calculation of the Settlement Amount, will be made by the Calculation Agent. Determinations and calculations made in this respect by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the UBS Gearing Certificates Issuer and the Securityholders.

### 4. Information About The Underlying

#### 4.1 Introduction

The UBS Gearing Certificates are each based on a basket of funds, comprising

	“Fund <sub>(i)</sub> ”:	Share / Unit Class:	ISIN	“Weight <sub>(i)</sub> ”
1	Carmignac Patrimoine	A EUR acc	FR0010135103	33.33%
2	ETHNA-AKTIV T	T	LU0431139764	33.33%

3	M&G Optimal Income Fund	Euro Class A-H – Accumulation shares	GB00B1VMCY93	33.33%
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(each Fund is also referred to as a “**Basket Component**” or, collectively, the “Basket Components”), where the Fund Basket Weight<sub>(t)</sub> (as defined below) of each Fund<sub>(t)</sub> is adjusted on a continuous basis in accordance with the Target Volatility Strategy (the “Target Volatility Strategy”), all as described below.

The Calculation Agent created the Target Volatility Strategy and is responsible for adjusting and managing the Fund Units (as defined below) in accordance with the Dynamic Allocation Rules. The Calculation Agent is also responsible for calculating the value of the Target Volatility Strategy.

#### 4.2 Description of the Target Volatility Strategy

The Target Volatility Strategy on the Funds is a notional, SEK denominated strategy that reflects the performance of a notional synthetic quanto’d SEK exposure to the Basket Components comprised in the Underlying based on observed market prices (the “Portfolio”). The Portfolio is managed, using a formulaic allocation strategy specified in the Dynamic Allocation Rules below.

In pursuit of the Target Volatility Strategy, the Fund Basket Weight (as defined below) is adjusted in accordance with the Dynamic Allocation Rules on an ongoing basis.

#### 4.3 Rebalancing of the Fund Basket Weight

On each Basket Business Day<sub>(t)</sub> following the Fixing Date the Fund Basket Weight<sub>(t)</sub> is determined following the calculation of the Signal (as defined below) for each Basket Business Day.

In such context, “**Fund Basket Weight<sub>(t)</sub>**” means the weight of the Underlying as of the Basket Business Day<sub>(t)</sub>, expressed as a percentage, and is determined as follows:

- (a) If Cap is lower than Signal(t) or Floor is higher than Signal(t), i.e. Cap < Signal(t) or Floor > Signal(t), the Fund Basket Weight<sub>(t+2)</sub> equals the Ideal Fund Basket Weight<sub>(t)</sub> (as defined below),
- (b) otherwise, the Fund Basket Weight<sub>(t+2)</sub> equals Fund Basket Weight<sub>(t+1)</sub>.

Where “Fund Basket Weight<sub>(0)</sub>” equals the Initial Fund Basket Weight (as defined below), and “Fund Basket Weight<sub>(1)</sub>” equals Fund Basket Weight<sub>(0)</sub>.

The initial Fund Basket Weight on the Fixing Date (“Fund Basket Weight<sub>(0)</sub>” or, as the case may be, the “Initial Fund Basket Weight”) will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Min} \left( \text{Maximum Fund Exposure}, \frac{\text{Target}}{\text{Realised Volatility}_{(\text{initial})}} \right)$$

where

“**Maximum Fund Exposure**” means 200%, or as otherwise specified in the relevant UBS Gearing Certificates Final Terms,

“**Target**” means 4% or as otherwise specified in the relevant UBS Gearing Certificates Final Terms, and

“**Realised Volatility(initial)**” means the Realised Volatility calculated for Volatility Observation Period (as defined below) ending on the Fixing Date.

“**Realised Volatility(t)**” is calculated as the annualised exponentially weighted standard deviation of the Funds comprised in the Underlying over the last Volatility Observation Period. On any Basket Business Day<sub>(t)</sub>, the Realised Volatility<sub>(t)</sub> will be calculated by the Calculation Agent using the following formula:

$$\sqrt{\text{AF}} \times \sqrt{\frac{\sum_{j=1}^{\text{VOP}} \left( \left(1 - \frac{3}{\text{VOP}}\right)^j \times \left(\frac{\text{Fund Basket}_{(t-j+1)}}{\text{Fund Basket}_{(t-j)}}\right)^2 \right)}{\sum_{j=1}^{\text{VOP}} \left(1 - \frac{3}{\text{VOP}}\right)^j}}$$

with

“**AF**” means an annualising factor equal to 254, or as otherwise specified in the relevant UBS Gearing Certificates Final Terms.

“**VOP**” or “Volatility Observation Period” means, unless otherwise specified in the relevant UBS Gearing Certificates Final Terms, the volatility observation period equal to 90 Basket Business Days, immediately preceding but including the relevant Basket Business Day<sub>(t)</sub>.

“**Fund Basket(t)**” is respect of any Basket Business Day(t) calculated by the Calculation Agent in accordance with the following formula:

$$\sum_{i=1}^3 \text{Weight}_{(i)} \times \frac{\text{Nav}_{i,(t)}}{\text{Nav}_{i,(initial)}}$$

“**Weight(i)**” means in respect of each Fund(i), the Weight of such Fund(i) indicated in the table in the section “I. Introduction” above.

“**NAV<sub>i,(t)</sub>**” means in respect of a Basket Business Day(t), the NAV of the Fund(i) per Fund Unit<sub>(i)</sub> as of such Basket Business Day(t). When determining the Portfolio Value<sub>(final)</sub> of the Target Volatility Strategy in relation to the Valuation Averaging Dates, “NAV<sub>i,(t)</sub>” is, subject to a Market Disruption (§ 11 of the Conditions), taken as the redemption proceeds that a Notional Investor would have received, if that Notional Investor had, for the Fund, subject to it giving the appropriate prior notice, requested redemption of the Fund Units in the Funds as at the relevant Valuation Averaging Date.

“**NAV<sub>i,(initial)</sub>**” means the NAV of the Fund<sub>(i)</sub> per Fund Unit<sub>(i)</sub> as of the Fixing Date.

**The Signal on any Basket Business Day(t) is measured daily and compared with the floor of 3% or such other percentage specified in the relevant UBS Gearing Certificates Final Terms (the “Floor”) and the cap of 5% or such other percentage specified in the relevant UBS Gearing Certificates Final Terms (the “Cap”) to determine if a Rebalancing (as defined below) as of the Basket Business Day(t+2), needs to occur.**

On any Basket Business Day<sub>(t)</sub> the “Signal” (the “Signal(t)”) will be calculated by the Calculation Agent as follows:

- (a) If Cap is lower than Signal(t-1) or Floor is higher than Signal(t-1), *i.e.* Cap < Signal(t-1) or Floor > Signal(t-1), the Signal(t) will be calculated by the Calculation Agent in accordance with the following formula:

$$\text{Realised Volatility}(t) \times \text{Fund Basket Weight}(t+1)$$

- (c) otherwise, the Signal<sub>(t)</sub> will be calculated by the Calculation Agent in accordance with the following formula:

$$\text{Realised Volatility}(t) \times \text{Fund Basket Weight}(t)$$

The Signal on the Fixing Date (the “Signal<sub>(0)</sub>”) will be calculated by the Calculation Agent in accordance with the following formula:

$$\text{Realised Volatility}(initial) \times \text{Fund Basket Weight}_{(0)}$$

#### 4.4 Ideal Fund Basket Weight

“Ideal Fund Basket Weight(t)” means, in respect of any Basket Business Day(t), a percentage calculated by the Calculation Agent using the following formula:

$$\min \left( \text{Maximum Fund Exposure}, \frac{\text{Target}}{\text{Realised Volatility}_{(t)}} \right)$$

#### 4.5 Calculation of the value of the Portfolio

The initial value of the Portfolio on the Fixing Date is equal to 100% or such other percentage specified in the relevant UBS Gearing Certificates Final Terms (the “**Portfolio Value<sub>(0)</sub>**”). On any Basket Business Day<sub>(t)</sub> (as defined below) thereafter, UBS AG, London Branch, as Calculation Agent calculates the value of the Portfolio (the “**Portfolio Value(t)**”) in accordance with the following formula:

$$\text{Portfolio Value}_{(t-1)} \times \left( 1 + \text{Fund Basket Weight}_{(t-1)} \right) \times \text{Fund Basket Return}_{(t)}$$

Where

“**Fixing Date**” has the meaning as given to it in Part I of the Product Terms “Key Terms and Definitions of the UBS Gearing Certificates”.

“**Basket Business Day**” has the meaning as given to it in Part I of the Product Terms “Key Terms and Definitions of the UBS Gearing Certificates”.

“**Fund Basket Weight(t)**” has the meaning as given to it in paragraph 4.3 (*Rebalancing of the Fund Basket Weight*) above.

“**Fund Basket Return(t)**” on any Basket Business Day<sub>(t)</sub> is calculated by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Fund Basket}_{(t)} - \text{Fund Basket}_{(t-1)}}{\text{Fund Basket}_{(t-1)}}$$

“**Fund Basket(t)**” has the meaning as given to it in paragraph 4.3 (*Rebalancing of the Fund Basket Weight*) above.

## DESCRIPTION OF THE EQUITY ORIGINAL COLLATERAL OBLIGOR

### UBS AG

*The following has been taken from the base prospectus of UBS AG dated 8 January 2016 as amended from time to time and is subject to and qualified by such base prospectus.*

UBS AG (the “**Equity Original Collateral Obligor**”) with its subsidiaries (together, “**UBS AG Group**” and together with UBS Group AG, the holding company of UBS AG, “**UBS Group**”, or “**Group**” or “**UBS**”) it provides private, institutional and corporate clients worldwide, as well as retail clients in Switzerland with financial advice and solutions while generating returns for shareholders.

UBS Group’s strategy centres on its Wealth Management and Wealth Management Americas businesses and its leading (in its own opinion) universal bank in Switzerland, complemented by its Asset Management business and its Investment Bank. The operational structure of the UBS Group is comprised of the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Retail & Corporate, Asset Management and the Investment Bank.

On 31 December 2014 UBS AG (consolidated) common equity tier 1 capital ratio was 14.2% on a fully applied basis and 19.9% on a phase-in basis, invested assets stood at CHF 2,734 billion, equity attributable to UBS AG shareholders was CHF 52,108 million and market capitalization was CHF 63,243 million. On the same date, UBS AG Group employed 60,155 people.

UBS AG has long-term counterparty credit rating of A (positive outlook) from S&P, long-term senior debt rating of A2 (under review for possible downgrade) from Moody’s, long-term issuer default rating of A (positive outlook) from Fitch Ratings and issuer credit-strength rating of A (stable outlook) from Scope Ratings.

UBS AG was incorporated under the name SBC AG on 28 February 1978 for an unlimited duration and entered in the Commercial Register of Canton Basel-City on that day. On 8 December 1997, the company changed its name to UBS AG. The company in its present form was created on 29 June 1998 by the merger of Union Bank of Switzerland (founded 1862) and Swiss Bank Corporation (founded 1872). UBS AG is entered in the Commercial Registers of Canton Zurich and Canton Basel-City. The registration number is CHE-101.329.561.

UBS AG is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations as an Aktiengesellschaft, a stock corporation.

According to article 2 of the Articles of Association, the purpose of UBS AG is the operation of a bank. Its scope of operations extends to all types of banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG may establish branches and representative offices as well as banks, finance companies and other enterprise of any kind in Switzerland and abroad, hold equity interests in these companies, and conduct their management. UBS AG is authorised to acquire, mortgage and sell real estate and building rights in Switzerland and abroad.

UBS AG shares are listed on the SIX Swiss Exchange and UBS AG has securities listed on the regulated market of the Stockholm Stock Exchange, amongst other exchanges.

The addresses and telephone numbers of UBS AG’s two registered offices and principal places of business are: Bahnhofstrasse 45, CH-8001 Zurich, Switzerland, telephone +41 44 234 1111; and Aeschenvorstadt 1, CH-4051 Basel, Switzerland, telephone +41 61 288 5050.

Information as to the past and future performance of UBS AG may be obtained on Bloomberg page UBSN:SW.

## DESCRIPTION OF THE ORIGINAL COLLATERAL

The following information and any other information contained herein relating to the Original Collateral with respect to a Series of Notes is a summary only of certain characteristics of the Original Collateral. The Original Collateral in respect of a Series of Notes will be specified in the applicable Final Terms. Prospective purchasers of the Notes should make their own independent investigations and enquiries into the Original Collateral and the obligor(s) in respect thereof.

Notes to be admitted to the Official List and to trading on the regulated market of the Irish Stock Exchange may only be issued under this Base Prospectus by way of Final Terms for the purposes of Article .54 of the Prospectus Directive where the Original Collateral is collateral having the following characteristics (“**Approved Original Collateral**”):

**Issuer of Approved Original Collateral:** Any corporate or sovereign

**Listing:** Listed on a regulated or equivalent market (for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments), the Hong Kong Stock Exchange, the New York Stock Exchange and/or the Tokyo Stock Exchange

**Status:** Senior

**Legal Nature:** Bonds or other debt instruments

**Governing Law:** New York law, English law or the law of any member state of the European Economic Area

## LUXEMBOURG TAXATION

*The following summary is of a general nature only. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

### **Taxation of the Issuer**

The Company will be considered a fiscal resident of Luxembourg from a Luxembourg tax law perspective and should therefore be able to obtain a residence certificate from the Luxembourg tax authorities.

The Company will be liable for Luxembourg corporation taxes. The standard applicable rate in Luxembourg city, including corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and solidarity taxes, is currently 29.22 per cent. Liability for such corporation taxes extends to the Company's worldwide profits including capital gains, subject to the provisions of any relevant double taxation treaty. The taxable income of the Company is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented and currently applied by the Luxembourg tax authorities.

Under certain conditions, dividends received by the Company from qualifying participations and capital gains realised by the Company on the sale of qualifying participations may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption. The Company may further deduct from its taxable profits interest payments made to Noteholders.

A fixed registration duty (*droit fixe spécifique d'enregistrement*) of EUR 75 is payable at the moment of the amendment of the Articles. The transfer or sale of securities of the Issuer or the Company (as appropriate) will not be subject to Luxembourg registration or stamp duty.

The Company will be exempt from wealth tax (*impôt sur la fortune*) but for a minimum wealth tax ranging between EUR 535 and EUR 32,100. A minimum wealth tax of EUR 3,210 applies under the conditions that the balance sheet total of a company is for more than 90% represented by financial assets, amounts owed by affiliated undertakings, transferable securities and cash at bank (i.e. assets to be accounted for in accounts 23, 41, 50 and 51 of the Luxembourg standardised chart of accounts (*plan comptable normalisé*)) and exceeds EUR 350,000.

### **Taxation of the Noteholders**

#### **Withholding tax**

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

In accordance with the law of 23 December 2005, as amended (the "**Law**"), interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities securing interest payments on behalf of Luxembourg individual residents are subject to a 10 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

#### **Income Taxation**

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

A Noteholder who is a resident of Luxembourg for tax purposes or a foreign Noteholder who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, is subject to Luxembourg income tax in respect of the interest paid or accrued on, or any other income derived from, the Notes. An individual Luxembourg resident Noteholder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest or any other income received, except if withholding tax has been levied on such payments in accordance with the Law.

Under Luxembourg domestic tax law, gains realised by an individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal, in any form whatsoever, of Notes are not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Notes. An individual Noteholder, who acts in the course of the management of his private wealth and who is a resident of Luxembourg for tax purposes, has further to include the portion of the gain corresponding to accrued but unpaid interest in respect of the Notes in his taxable income, except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual Noteholder has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a member state of the European Economic Area (other than an EU Member State), or certain dependent or associated territories of EU Member States.

The withholding tax or self-applied tax are the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth.

Gains realised by a corporate Noteholder or by an individual Noteholder, who acts in the course of the management of a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal, in any form whatsoever, of Notes are subject to Luxembourg income tax.

A Luxembourg Noteholder that is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, will not be subject to any Luxembourg income tax in respect of interest received or accrued on the Notes, or on gains realised on the sale or disposal, in any form whatsoever, of Notes.

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

Gains realised by a non-resident Noteholder, who does not have a permanent establishment or fixed place of business in Luxembourg, to which the Notes are attributable, on the sale or disposal of Notes are not subject to Luxembourg income tax.

### **Wealth tax**

A corporate Noteholder, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the Noteholder is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment, as amended or by the law of 13 February 2007 on specialised investment funds, as amended. Securitisation companies governed by the law of 22 March 2004 on securitisation, as amended and companies governed by the law of 15 June 2004 on venture capital vehicles, as amended are exempt from Luxembourg wealth tax but for a minimum wealth tax ranging between EUR 535 and EUR 32,100. A minimum wealth tax of EUR 3,210 applies under the conditions that the balance sheet total of a company is for more than 90% represented by financial assets, amounts owed by affiliated undertakings, transferable securities and cash at bank (i.e. assets to be accounted for in accounts 23, 41, 50 and 51 of the Luxembourg standardised chart of accounts (*plan comptable normalisé*)) and exceeds EUR 350,000.

An individual Noteholder, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on Notes.

### **Other Taxes**

Under present Luxembourg tax law, in the case where a Noteholder is a resident for inheritance tax purposes of Luxembourg at the time of his death, the Notes are included in his taxable estate, for inheritance tax purposes and gift tax may be due on a gift or donation of Notes, if the gift is recorded in a Luxembourg deed.

## SWEDISH TAXATION

*The following summary outlines certain Swedish tax consequences relating to holders of Notes that are considered to be resident in Sweden or non-Swedish holders having a permanent establishment in Sweden to which the Notes are attributable. The summary is based on the laws of Sweden as effect as at the date of this Base Prospectus. The summary does not constitute tax or legal advice but is intended to provide general information only. Special tax consequences that are not described below may also apply for certain categories of tax payers, including investment companies, mutual funds, life insurance companies and Notes held by a partnership or as current assets in a business operation. The summary does for example not address situations where Notes are held in an investment savings account (Sw. investeringssparkonto) or the rules regarding reporting obligations for, among others, payers of interest. The summary does not address credit of foreign taxes. Further, specific tax consequences may be applicable if, and to the extent, the holder of Notes realises a capital loss on the Notes and to any currency exchange gains or losses. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of tax treaties for the avoidance of double taxation) of acquiring, owning and disposing of Notes in their particular circumstances.*

### **Individuals not tax resident in Sweden**

No Swedish withholding tax or deduction is imposed or made in respect of payments to a non-resident individual holder of any principal amount or any amount that is considered to be interest for Swedish tax purposes.

A person is resident in Sweden for Swedish tax purposes if the person (a) is domiciled in Sweden; (b) has its habitual abode in Sweden; or (c) has been domiciled earlier in Sweden and, after having moved abroad, continues to have an essential connection with Sweden.

There are no specific Swedish tax rules defining interest. However, it is generally held, that where the terms and conditions of an instrument provide for payments to be made under predetermined circumstances established by the terms and conditions, based on predetermined increase in value or consideration, such payment should be considered interest.

### **Individuals tax resident in Sweden**

Generally, private individuals (and estates of deceased individuals) with residence in Sweden for Swedish tax purposes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable at a rate of 30 per cent.

There is no withholding tax on payments to holders (private individuals) of the Notes resident in Sweden for tax purposes.

If amounts that are considered to be interest for Swedish tax purposes are paid by Euroclear Sweden AB or by another legal entity domiciled in Sweden, or a Swedish branch of a non-Swedish entity, to a private individual (or an estate of a deceased individual) with residence in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by Euroclear Sweden AB or the legal entity on such payments. Swedish preliminary taxes should normally also be withheld on other returns on securities and receivables (but not capital gains), if the return is paid out together with such a payment of interest referred to above. Swedish preliminary taxes are withheld at 30 per cent. less any foreign withholding tax.

### **Swedish corporations**

Limited liability companies and other legal entities (except partnerships and estates of deceased persons) are normally taxed on all income (including income from the disposal of the Notes) as income from business operations at a flat rate of 22%.

## IRISH TAXATION

*The following is a summary based on the laws and practices currently in force in Ireland of Irish withholding tax on interest and addresses the tax position of investors who are the absolute beneficial owners of the Notes. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.*

### **Withholding Tax**

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest paid on the Notes may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Notes; or
- (c) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or (if the Notes are in bearer form) the Notes are physically held in Ireland.

It is anticipated that (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer does not and will not have a branch or permanent establishment in Ireland; and (iii) bearer Notes will not be physically located in Ireland and the Issuer will not maintain a register of any registered Notes in Ireland.

### **Encashment Tax**

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) on any interest, dividends or annual payments paid on the Notes issued by a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland for payment to any holder of the Notes who is Irish resident.

Encashment tax does not apply where the holder of the Notes is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

### **European Union Directive on Taxation of Savings Income**

Ireland has implemented the EC Council Directive 2003/48/EC (the “**Savings Directive**”) on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Noteholder (including the Noteholder’s name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

Prospective holders of Notes should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

## SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) and in a Dealer Agreement, a Dealer will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in the Kingdom of Sweden from the time the Prospectus has been approved by the Central Bank of Ireland, being the competent authority in Ireland, and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in the Kingdom of Sweden until 31 March 2016, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

### Ireland

Each of Credit Suisse International as Dealer and Garantum Fondkommission AB as Distributor has represented and agreed that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Acts 1963 – 2013 (as amended) of Ireland (as amended), the Central Bank Acts 1942 - 2012 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and
- (c) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

### Sweden

Each of the Issuer, Credit Suisse International as Dealer and Garantum Fondkommission AB as Distributor and any authorised offeror has represented and agreed that the Notes have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Kingdom of Sweden by way of public offering,

unless in compliance with the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*), as amended from time to time.

## GENERAL INFORMATION

- (i) There has been no significant change in the financial or trading position of the Company, and no material adverse change in the financial position or prospects of the Company in each case, since 31 December 2015, being the date of its last audited financial statements.
- (ii) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had since the date of its incorporation, a significant effect on the financial position or profitability of the Company.
- (iii) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the applicable Final Terms.
- (iv) The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. Notes have also been accepted for clearance through Euroclear Sweden.
- (v) Where information in this Base Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (vi) The issue price and the amount of the relevant Notes will be determined, before filing of the applicable Final Terms of each Tranche, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes or in relation to the Collateral.
- (vii) For so long as Notes may be issued pursuant to this Base Prospectus (in respect of sub-paragraphs (a) to (g) and for so long as any listed Note remains outstanding, from the date of the relevant document (in respect of sub-paragraph (h)), copies of the following documents will be available in printed form free of charge, during the hours between 9.00 a.m. and 5.00 p.m. (with respect to the location of the relevant offices specified below) on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the Specified Office of the Issuing and Paying Agent:
  - (a) the Programme Deed, together with any amendments and/or supplements thereto;
  - (b) the documents comprising the Principal Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Global Certificate, the Certificates, the Coupons, the Receipts and the Talons);
  - (c) the documents comprising the Agency Agreement;
  - (d) the Articles of the Company;
  - (e) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further prospectus;
  - (f) each applicable Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Issuing and Paying Agent as to its holding of Notes and identity) and each subscription agreement (if any) and the documents comprising the Trust Deed, Swap Agreement and Agency Agreement for Notes which are listed on the Official List and admitted to trading on the Market or any other stock exchange;

- (g) copies of the latest annual report and accounts of the Issuer, including interim accounts; and
  - (h) such other documents as may be required by the rules of any stock exchange on which any Note is at the relevant time listed.
- (viii) This Base Prospectus and each applicable Final Terms or Series Prospectus for Notes that are listed on the Official List and admitted to trading on the Main Securities Market will be published on the website of the Central Bank of Ireland ([www.centralbank.ie](http://www.centralbank.ie)) and the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).
- (ix) The Issuer does not intend to provide post-issuance information regarding Notes to be listed on a stock exchange or, where applicable, performance of the Original Collateral.
- (x) Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.

## APPENDIX 1 – FORM OF FINAL TERMS

Final Terms dated [●]

ARGENTUM CAPITAL S.A.

(incorporated as a public limited liability company (*société anonyme*) under the laws of Luxembourg with its registered office at 51, Avenue J.-F. Kennedy, L-1855 Luxembourg, registered with *Registre de commerce et des sociétés* Luxembourg under number B.182.715 and subject to the Securitisation Act 2004)

(acting in respect of its Compartment [GAP [●]] / [GAP+[●]])

Issue of

Series [●]

[Class A] up to SEK [200,000,000] Secured Repackaged  
[Fund-Linked] / [Equity-Linked] / [Equity Index-Linked] / [Certificate-Linked] Notes due [●]  
( the [Class A] Notes”)

[Class B] up to SEK [200,000,000] Secured Repackaged  
[Fund-Linked] / [Equity-Linked] / [Equity Index-Linked] / [Certificate-Linked] Notes due [●]  
( the [Class B] Notes”)

[Class [●]] up to SEK [200,000,000] Secured Repackaged  
[Fund-Linked] / [Equity-Linked] / [Equity Index-Linked] / [Certificate-Linked] Notes due [●]  
( the [Class [●]] Notes” and together with the [Class[●]] Notes, the “Notes”)

[Repeat as necessary]

under the  
Secured Note Programme

### PART A – CONTRACTUAL TERMS

The Notes will be subject to the Master Conditions as set out in the Company’s base prospectus in relation to its Secured Note Programme dated 4 September 2015 (the “**Secured Note Programme Base Prospectus**”), to the Additional Conditions contained in the Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement as set out in the Secured Repackaged Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Base Prospectus dated 20 June 2016 ([together with the Supplemental Base Prospectus dated [●],] the “**Base Prospectus**”) and also to the following terms (the “**Final Terms**”) in relation to the [Class [●]] Notes. The Base Prospectus incorporates certain sections of the Secured Note Programme Base Prospectus by reference. References in such Master Conditions to the Issue Terms or Alternative Drawdown Document shall be to the provisions set out in these Final Terms. In the case of a discrepancy or conflict with such Master Conditions (as amended and supplemented by the Additional Conditions), the following Final Terms shall prevail.

This document constitutes the applicable Final Terms of the [Class [●]] Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these applicable Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at

www.ise.ie and www.centralbank.ie [[and] during normal business hours at [●] [and copies may be obtained from [●]]. A summary of the [Class [●]] Notes is annexed to the Final Terms.

## SERIES DETAILS

1. Issuer: Argentum Capital S.A. (the “**Company**”), acting in respect of its Compartment [GAP [●]] / [GAP+ [●]].

2. (i) Series Number: [●]

*(If fungible with an existing Series, provide details of that Series, including the date on which the Notes become fungible.)*

(ii) Classes: [Not Applicable.]

[Applicable.]

This Series comprises [●] classes (each, a “**Class**” or “**Class of Notes**”). The Notes of each Class will rank *pari passu* and without any preference among themselves and each Class will rank *pari passu* and without any preference between the Classes.]

3. Specified Currency: [Swedish Krona (“**SEK**”)] / [●]

4. Aggregate Nominal Amount of Notes:

(i) Series: The Aggregate Nominal Amount of the Series as at the Issue Date shall be up to SEK [●] (the “**Initial Aggregate Nominal Amount**”).

(ii) Classes: [Not Applicable. For the purposes of the Additional Conditions, this Series shall be deemed to be a [Fund-Linked Class] / [Equity-Linked Class] / [Equity Index-Linked Class] / [Certificate-Linked Class]]

[Applicable. The Aggregate Nominal Amounts of each Class of Notes as at the Issue Date (each, an “**Initial Class Aggregate Nominal Amount**”) shall be as follows:

(a) Class A: up to SEK [200,000,000]; [and]

(b) Class B: up to SEK [200,000,000]; [and]

(c) Class [●] up to SEK 200,000,000.

[Repeat as necessary]]

[For the purposes of the Additional Conditions:

- (a) Class A shall be a [Fund-Linked Class] / [Equity-Linked Class] / [Equity Index-Linked Class] / [Certificate-Linked Class]; [and]
- (b) Class B shall be a [Fund-Linked Class] / [Equity-Linked Class] / [Equity Index-Linked Class] / [Certificate-Linked Class] ; [and]
- (c) Class [●] shall be a [Fund-Linked Class] / [Equity-Linked Class] / [Equity Index-Linked Class] / [Certificate-Linked Class].

[Repeat as necessary]]

5. Issue Price: [[●] per cent. of the Aggregate Nominal Amount]

- (a) Class A: [●] per cent. of the Initial Class Aggregate Nominal Amount of the Class A Notes; [and]
- (b) Class B: [●] per cent. of the Initial Class Aggregate Nominal Amount of the [Class B] Notes; [and]
- (c) [Class [●]]: [●] per cent. of the Initial Class Aggregate Nominal Amount of the Class [●] Notes.]

[Repeat as necessary]

6. (i) Specified Denomination SEK [10,000] / [●] (*The denomination shall not be less than the SEK equivalent of EUR 1,000.*)

(ii) Calculation Amount SEK [10,000] / [●] / [Not Applicable]

7. (i) Issue Date: [●]

(ii) Interest Commencement Date: In respect of [the Notes] / [each Class of Notes] / [the Class [●] Notes]: [Issue Date] / [●] / [Not Applicable]

8. Maturity Date: In respect of [the Notes] / [each Class of Notes] / [the Class [●] Notes], [●], subject to adjustment in accordance with the [Following]/[●] Business Day Convention; [In respect of the Class [●] Notes, [●], subject to adjustment in accordance with the [Following]/[●] Business Day Convention.] (*Only include if a different Maturity Date applies to one or more Classes.*)

9. Interest Basis: [Include if the Notes do not bear interest: In respect of each Class of Notes: Not Applicable.]

[Include if the Notes bear interest: In respect of the [the Notes] / [each Class of Notes] / [the Class [●] Notes]:

[Fixed Rate]

[Floating Rate]

- [Zero Coupon]]
10. Redemption/Payment Basis: [Redemption at Final Redemption Amount]  
[Redemption by Instalments]
11. Date of Board approval for issuance of Notes obtained: The issue of the Notes will be authorised by the Board on or about the Issue Date.
12. Method of distribution: [Syndicated] / [Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: In respect of the [Class [●]] Notes: [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub- paragraphs of this paragraph.)*
- (i) Rate[(s)] of Interest: [●] per cent. per annum (indicative only) but which may be higher or lower and in any event shall not be less than [●] per cent. per annum [payable [annually] / [semi-annually] / [quarterly] / [monthly] / [●] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in] / [on] [●]
- (v) [Interest Amount: [●]
- (If not specified, "Interest Amount" will be the Fixed Coupon Amount or Broken Amount, as applicable. If this is desirable, then this sub-paragraph (v) can be deleted.)*
- (vi) Day Count Fraction: [Actual/Actual]  
[Actual/Actual – ISDA]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30/360]/[360/360]/[Bond Basis]  
[30E/360]/[Eurobond Basis]  
[30E/360 (ISDA)]  
[Actual/Actual–ICMA]

- [Not Applicable]
- (vii) [Determination Dates: [●] in each year (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual-ICMA)]
14. Floating Rate Note Provisions: In respect of the [Class [●]] Notes: [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining sub- paragraphs of this paragraph)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Interest Period Date: [●]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: ISDA Determination
- (v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [Not Applicable] / [●]
- (Specify relevant party only where ISDA Determination is not specified above)*
- (vi) [ISDA Rate:] (only include where ISDA Determination applies)
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- ISDA Definitions: [As defined in the Master Conditions] / [●]
- (vii) Margin(s): [+]/[-]/[●] per cent. per annum (indicative only) but which may be higher or lower and in any event shall not be less than [●] per cent. per annum
- (viii) Day Count Fraction: [Actual/Actual]
- [Actual/Actual – ISDA]
- [Actual/365 (Fixed)]
- [Actual/360]

[30/360]/[360/360]/[Bond Basis]

[30E/360]/[Eurobond Basis]

[30E/360 (ISDA)]

[Actual/Actual-ICMA]

[Not Applicable]

(ix) [Determination Dates: [●] in each year (Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual-ICMA)]

(x) Interest Determination Date: [[●] in each year]/[Not Applicable]

15. Zero Coupon Note Provisions: In respect of the [Class [●]] Notes: [Applicable] / [Not Applicable]

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

- Amount Payable: [●]

16. Business Day Convention: [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention] / [Not Applicable]

17. Business Centre(s): [●] / Not Applicable.

18. Default Interest: [As per Master Conditions] / [●] / [Not Applicable]

## MORTGAGED PROPERTY

19. Mortgaged Property:

(i) Original Collateral: The Original Collateral in respect of the Series of Notes is expected to comprise the following assets (each, a “**Collateral Component**”), in each case in an aggregate nominal amount as at the Issue Date equal to the sum of the Class Collateral Component Amounts for that Collateral Component:

- Original Collateral Price: [As per Master Conditions] / [●]

- Collateral Event Observation Start Date: [●]

*Collateral Components*

Original Collateral [●]  
Obligor:

Asset: [●]

ISIN: [●]

Common Code: [●]

Maturity: [●]

Collateral Component  
Currency: [●]

[Collateral FX [USD/SEK FX Rate] /  
Rate: [EUR/SEK FX Rate] /  
[GBP/SEK FX Rate] /  
[CHF/SEK FX Rate] / [●]]

Markets on [●]  
which admitted  
to trading:

Governing law: [●]

Weighting: [●]

Original Collateral [●]  
Obligor:

Asset: [●]

ISIN: [●]

Common Code: [●]

Maturity: [●]

Collateral Component  
Currency: [●]

[Collateral FX [USD/SEK FX Rate] /  
Rate: [EUR/SEK FX Rate] /  
[GBP/SEK FX Rate]]

Markets on [●]  
which admitted  
to trading:

Governing law: [●]

Weighting: [●]

Original Collateral [●]  
Obligor:

Asset: [●]

ISIN: [●]

Common Code: [●]

Maturity: [●]

Collateral Component  
Currency: [●]

[Collateral FX Rate: [USD/SEK FX Rate] / [EUR/SEK FX Rate] / [GBP/SEK FX Rate] / [CHF/SEK FX Rate] / [●]]

Markets on which admitted to trading: [●]

Governing law: [●]

Weighting: [●]

[Repeat as necessary]

(ii) Class Equity Original Collateral [Not Applicable]

[Applicable.]

**Class Equity Original Collateral in respect of the Class [●] Notes**

The Class Equity Original Collateral comprises UBS Gearing Certificates with an aggregate nominal amount equal to the Aggregate Nominal Amount of the Class [●] Notes.

Equity Original Collateral UBS AG  
Obligor:

Asset:

ISIN: [●]

Valor: [●]

Maturity: [●], subject to adjustment in accordance with the terms of the Class [●] Equity Original Collateral.

Currency: SEK

Participation: [●]

Markets on which admitted to trading: The Equity Original Collateral Obligor intends to apply for listing of the Class Equity Original Collateral in respect of the Class [●] Notes on Nasdaq Stockholm.

Governing law Federal Republic of Germany

**Class Equity Original Collateral in respect of the Class [●] Notes**

The Class Equity Original Collateral comprises UBS Gearing Certificates with an aggregate nominal amount equal to the Aggregate Nominal Amount of the Class [●] Notes.

Equity Original Collateral UBS AG  
Obligor:

Asset:

ISIN: [●]

Valor: [●]

Maturity: [●], subject to adjustment in accordance with the terms of the Class [●] Equity Original Collateral

Currency: SEK

Participation: [●]

Markets on which admitted to trading: The Equity Original Collateral Obligor intends to apply for listing of the Class Equity Original Collateral in respect of the Class [●] Notes on Nasdaq Stockholm.

Governing law Federal Republic of

Germany]

[Repeat as necessary]

(iii) Swap Agreement:

Applicable.

The Issuer and the Swap Counterparty will enter into an English law governed 2002 ISDA Master Agreement and Schedule thereto (in the form of the Master Swap Terms dated 4 September 2015, as amended and supplemented by the Issue Deed) by executing an Issue Deed to be dated on or about the Issue Date, as supplemented by (a) confirmations evidencing an asset swap transaction relating to each Class of Notes (in respect of each Class, the “**Asset Swap Transaction**” relating to such Class) between the Issuer and the Swap Counterparty, [(b) a confirmation evidencing a fund swap transaction relating to the [Class [●] Notes (the “**Fund Swap Transaction**”)] and [(c) a confirmation evidencing an equity swap transaction relating to the [Class [●]] Notes (the “**Equity Swap Transaction**”)], each between the Issuer and the Swap Counterparty.

(iv) Swap Counterparty:

Credit Suisse International

(v) Credit Support Annex:

Applicable.

The Issuer and the Swap Counterparty will enter into an ISDA Credit Support Annex (Bilateral Form Transfer) (English Law) (containing the paragraph 11 elections set out in the Master CSA Terms dated [4 September 2015] / [●], as amended and supplemented by the Issue Deed) by executing an Issue Deed to be dated on or about the Issue Date.

(vi) Original Collateral Substitution:

[Applicable] / [Not Applicable]

## PROVISIONS RELATING TO REDEMPTION AND ADDITIONAL PAYOUT AMOUNT

20. Final Redemption Amount of each Note: [Applicable] / [Not Applicable]

21. Redemption Percentage: In respect of the [Class [●]] Notes: [100%] / [●]% / [Not Applicable]

[In respect of the Class [●] Notes: [100%] / [●]% / [Not Applicable]]

[Repeat as necessary]

22. Collateral Event: (Include all of the following that are applicable.)

[Original Collateral Call]

[Original Collateral Default]

- [Original Collateral Payment Failure]
- [Original Collateral Conversion]
23. Equity Collateral Event: [Applicable] / [Not Applicable]
- (Include all of the following that are applicable.)*
- [Equity Collateral Default]
- [Equity Collateral Payment Failure]
24. Early Redemption Notification Period: [As per Master Conditions] / [●]
25. Regulatory Event: [Applicable] / [Not Applicable]
26. Trigger Event: [Applicable] / [Not Applicable]
- (if not applicable, delete the remaining sub-paragraph of this paragraph.)*
- Trigger Level: [●]
27. Redemption by Instalments: [Not Applicable]

[Applicable.]

Each Note shall be partially redeemed by the payment of an Instalment Amount on the relevant Instalment Date. Each scheduled Instalment Date (subject to the [Following]/[●] Business Day Convention) is specified below, and the corresponding Instalment Amount shall be equal to the product of (a) the Specified Denomination multiplied by the Redemption Percentage, (b) the sum of the Weighting of each Collateral Component which is not an Affected Collateral Component on the Instalment Date and (c) the relevant percentage (each, an “**Instalment Percentage**”) specified below:

Instalment Date	Instalment Percentage
[●]	[●]%
[●]	[●]%
[●]	[●]%

*[Repeat as necessary]*

28. Independent Class Early Redemption: [Applicable] / [Not Applicable]

29. Early Cash Redemption Amount: [In respect of each Class of Notes,] the Early Cash Redemption Amount in respect of a Note of such Class will be:
- (i) where the Notes are redeemed early as a result of any Early Redemption Event other than a Collateral Event, an amount in SEK determined in accordance with sub-paragraph (iii) of the definition of “Early Cash Redemption Amount” in Master Condition 1(a) (*Definitions*) [*Include in the case of a Certificate-Linked Class of Notes: save that, in respect of the Class [●] Notes and the Class [●] Notes, “Affected Class Collateral” shall be deemed to include the Class Equity Original Collateral relating to such Class of Notes*]; and
  - (ii) where the Notes are partially redeemed early as a result of a Collateral Event, an amount in SEK equal to the Collateral Event Early Cash Redemption Amount.
30. Early Redemption Settlement Method: Cash Settlement.
31. Additional Payout Amount Payment Date: [Maturity Date] / [●]
32. Provisions relating to Fund-Linked Class(es): (*Include the following information in respect of each Fund-Linked Class.*)
- [Repeat as necessary] The terms of the Fund Swap Transaction relating to the [Class [●]] Notes is expected to set out the following:
- Fund: Catella Hedgefond, SEK retail class (ISIN: SE0001131335; Bloomberg: CATHEDG SS)
  - Participation: [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%
  - Initial Valuation Date: [●]
  - Final Valuation Date: [●], provided that where such day is not a Calculation Business Day (as defined in the Fund Swap Transaction), the Final Valuation Date shall be the first Calculation Business Day following such day.
  - Observation Dates: Each date specified below, provided that where such day is not a Calculation Business Day, the Observation Date shall be the first Calculation Business Day following such day:

**Observation Dates**

[●]

[●]

[●]

[●]

[●]

[●]

[●]

[●]

[●]

[●]

*[Repeat as necessary]*

- Reference Portfolio Value Start Date: [●]

- Strike Date: [●], provided that where such day is not a Calculation Business Day, the Strike Date shall be the first Calculation Business Day following such day.

- Fund Manager NAV SEK [●]  
Threshold:

- Fund NAV Threshold: SEK [●]

- Minimum Fund Size: SEK [●]

- Trade Date [●]

- Termination Date [●]

31. Provisions relating to Equity-Linked Class(es): *(Include the following information in respect of each Equity-Linked Class.)*

*[Repeat as necessary]* The terms of the Equity Swap Transaction relating to the [Class [●]] Notes is expected to set out the following:

- Class Equity Basket:

<b>i</b>	<b>Share<sub>i</sub></b>	<b>Bloomberg Code</b>	<b>Exchange</b>
1	[●]	[●]	[●]
2	[●]	[●]	[●]
3	[●]	[●]	[●]
4	[●]	[●]	[●]
5	[●]	[●]	[●]

6 [●] [●] [●]  
 7 [●] [●] [●]  
 8 [●] [●] [●]  
 9 [●] [●] [●]  
 10 [●] [●] [●]

[Repeat as necessary]

- Participation: Expected to be [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%

- Initial Setting Date(s): [[●], subject to adjustments to account for certain disruptions in respect of the relevant Share<sub>i</sub>.]

*(Include if there are multiple Initial Setting Dates.)*

[Each date specified below, subject to adjustments to account for certain disruptions in respect of the relevant Share<sub>i</sub>:

[●]]

- Averaging Dates: Each date specified below, subject to adjustments to account for certain disruptions in respect of the relevant Share<sub>i</sub>:

[●]

- FX Factor: [Not Applicable] / [Applicable – [USD/SEK FX Rate] / [EUR/SEK FX Rate] / [GBP/SEK FX Rate]]

- Trade Date: [●]

- Termination Date: [●]

- Equity Final Exchange Amount Calculation Method: [Method 1] / [Method 2]

-[Number of Replacement: [●]] *(Include if Method 2 is specified as the Equity Final Exchange Amount Calculation Method, otherwise delete)*

-[Replacement Level: [●]]% *(Include if Method 2 is specified as the Equity Final Exchange Amount Calculation Method, otherwise delete)*

32. Provisions relating to Equity Index-Linked Class(es): *(Include the following information in respect of each Equity Index-Linked Class.)*

[Repeat as necessary] The terms of the Equity Swap Transaction relating to the [Class [●]] Notes are expected to set out the following:

- Class Equity Index Basket

<b>i</b>	<b>Index<sub>i</sub></b>	<b>Bloomberg Code</b>	<b>Weighting</b>
1	[●]	[●]	[●]
2	[●]	[●]	[●]
3	[●]	[●]	[●]
4	[●]	[●]	[●]

*[Repeat as necessary]*

- Participation:

Expected to be [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%

- Initial Setting Date(s):

[[●], subject to adjustments to account for certain disruptions in respect of the relevant Index<sub>i</sub>.]

*(Include if there are multiple Initial Setting Dates.)*

[Each date specified below, subject to adjustments to account for certain disruptions in respect of the relevant Index<sub>i</sub>:

[●]]

- Averaging Dates:

Each date specified below, subject to adjustments to account for certain disruptions in respect of the relevant Share<sub>i</sub>:

[●]

- FX Factor:

[Not Applicable] / [Applicable – [USD/SEK FX Rate] / [EUR/SEK FX Rate] / [GBP/SEK FX Rate]]

- Trade Date

[●]

- Termination Date

[●]

33. Provisions relating to Certificate-Linked Class(es):

*(Include the following information in respect of each Certificate-Linked Class.)*

*[Repeat as necessary]*

The terms of the Class Equity Original Collateral relating to the [Class [●]] Notes are expected to set out the following:

Participation:

Expected to be [●]% (indicative only) but which may be higher or lower and in any event shall not be less than [●]%

Valuation Averaging Dates:

Each date specified below, subject to adjustment in accordance with the terms of the Class Equity Original Collateral relating to the [Class [●]] Notes]:

[●]

[●]

[●]

[●]

[●]

[Repeat as necessary]

## PRODUCT SUPPLEMENTS AND ADDITIONAL CONDITIONS

34. Applicable Product Supplement: Applicable. The Additional Provisions contained in the Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Product Supplement as set out in the Secured Repacked Fund-Linked, Equity-Linked, Equity Index-Linked and Certificate-Linked Notes Base Prospectus dated 20 June 2016 shall apply.
35. Pass-through Notes: Not Applicable.
36. Collateral Basket CLNs: Not Applicable.
37. Collateral Event Noteholder Payment Option: Not Applicable.
38. Credit linked Notes: Not Applicable.

## PROVISIONS RELATING TO DISPOSAL AGENT

39. Disposal Agent: Applicable.
- (i) Disposal Agent: [Credit Suisse International One Cabot Square London E14 4QJ] / [Insert name and Specified Office of institution]
- (ii) Liquidation: As per Master Conditions.
- (iii) Liquidation Parameters: As per Master Conditions.
- (iv) Quotation Dealers: As per Master Conditions.
- (v) Disposal Agent Fee: No.

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

40. Form of Notes:
- (i) Bearer or Registered: **Registered Notes:**
- Global Certificates of up to SEK [200,000,000] in nominal amount in respect of [the Notes] [Class A Notes] [and up to SEK [200,000,000]/[●] in nominal amount in respect of the Class B Notes] [and up to SEK [200,000,000]/[●] in nominal amount in respect of the Class [●] Notes], [in each case] registered in the name of a nominee for a common

depository for Euroclear and exchangeable for Certificates in the limited circumstances specified in the respective Global Certificate [for each Class of Notes].

- (ii) The Issuer intends to permit indirect interests in the Notes to be held through the CREST Depository Interests to be issued through the CREST Depository: Not Applicable

41. Applicable TEFRA exemption: TEFRA Not Applicable.

42. New Global Note: No.

43. Financial Centre(s): [For the purpose of Master Condition 9(d) (*Business Day Convention*), a “**Business Day**” shall mean a Reference Business Day as defined in Master Condition 1(a) (*Definitions*).

Notwithstanding anything to the contrary in the Master Conditions or these Final Terms, the definition of Business Day shall also include a day on which the TARGET System is open for the settlement of payments in EUR.] / [Not Applicable] / [●]

44. Reference Business Day: [London, Stockholm and TARGET Settlement Day] / [●]

45. Reference Business Day Convention: [Not Applicable] / [●]

46. Agents:

(i) Calculation Agent: [Credit Suisse International  
One Cabot Square  
London E14 4QJ] / [*Insert name and Specified Office of institution*]

(ii) Custodian: [The Bank of New York Mellon (Luxembourg) S.A.  
2-4 rue Eugène Ruppert  
Vertigo Building – Polaris  
L-2453 Luxembourg] / [*Insert name and Specified Office of institution*]

(iii) Disposal Agent: [Credit Suisse International  
One Cabot Square  
London E14 4QJ] / [*Insert name and Specified Office of institution*]

(iv) Issuing and Paying Agent: [The Bank of New York Mellon, acting through its  
London Branch  
One Canada Square  
London E14 5AL] / [*Insert name and Specified Office of institution*]

*institution]*

- (v) Additional Paying Agents: [Not Applicable] / [*Insert name and Specified Office of institution]*
- (vi) Registrar: [The Bank of New York Mellon (Luxembourg) S.A.  
2-4 rue Eugène Ruppert  
Vertigo Building – Polaris  
L-2453 Luxembourg] / [*Insert name and Specified Office of institution]*
- (vii) Transfer Agent(s): [The Bank of New York Mellon (Luxembourg) S.A.  
2-4 rue Eugène Ruppert  
Vertigo Building – Polaris  
L-2453 Luxembourg] / [*Insert name and Specified Office of institution]*
- (viii) Listing Agent: [Maples and Calder  
75 St. Stephen’s Green  
Dublin 2  
Ireland] / [*Insert name and Specified Office of institution]*
- (ix) Swedish Agent: [Skandinaviska Enskilda Banken AB (publ)  
Kungsträdgårdsgatan 8  
SE-106 40 Stockholm  
Kingdom of Sweden] / [*Insert name and Specified Office of institution]*

## DISTRIBUTION

47. (i) If syndicated, names of Managers: [Not Applicable] / [*Specify names(s)*]
- (ii) Stabilising Manager(s) (if any): Not Applicable.
48. If non-syndicated, name of Dealer: Credit Suisse International.
49. Non-exempt Offer: An offer of the Notes may be made by Garantum Fondkommission AB (the “**Financial Intermediary**”) other than pursuant to Article 3(2) of the Prospectus Directive in the Kingdom of Sweden (“**Public Offer Jurisdiction**”) during the Offer Period.
- See further paragraph 6 of Part B – “*Other Information*” below.
50. Offer Period: The period from [●] to [●].
51. Fees and Commissions: [Ordinary Fee Arrangement] / [Ongoing Fee Arrangement] (*Include if Ongoing Fee Arrangement (i.e. GAP+) is applicable.*)

<b>[FCF Observation Date</b>	<b>Fee Calculation Factor (%)</b>
From, but excluding, the Issue Date to, and including, [●]	[●]
From, but excluding, [●] to, and including, [●]	[●]
From, but excluding, [●] to, and including, [●]	[●]
From, but excluding, [●] to, and including, [●]	[●]
From, but excluding, [●] to, and including, [●]	[●]
From, but excluding, [●] to, and including, [●]	[●]
From, but excluding, [●] to, and including, the Maturity Date	[●]
<i>[Repeat as necessary]</i>	

## PART B – OTHER INFORMATION

### 1. LISTING:

Listing and admission to trading: Application will be made by the Issuer (or on its behalf) to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Irish Stock Exchange's regulated market with effect from the Issue Date. Application will also be made for the Notes to be admitted to trading and listed on the regulated market of the Stockholm Stock Exchange.

Estimate of total expenses related to admission to trading: EUR [●]

### 2. RATINGS:

Ratings: The Notes will not be rated.

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

Save for the fees payable to the Dealer and the Distributor, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

- (i) Reasons for the offer: See the section entitled “*Use of Proceeds*” in the Secured Note Programme Base Prospectus.
- (ii) Estimated net proceeds: Up to SEK [●]
- (iii) Estimated total expenses: EUR [●]

### 5. OPERATIONAL INFORMATION

ISIN Code: [●]

*[Include separate ISIN Codes for Classes if applicable.]*

In respect of the Class A Notes: [●]

In respect of the Class B Notes: [●]

[In respect of the Class [●] Notes: [●]]

*[Repeat as necessary]*

Common Code: [●]

*[Include separate Common Codes for Classes if applicable.]*

*applicable.]*

In respect of the Class A Notes: [●]

In respect of the Class B Notes: [●]

[In respect of the Class [●] Notes: [●]]

*[Repeat as necessary]*

Clearing system(s) and any relevant identification number(s): Euroclear Bank S.A./N.V. and Clearstream Banking, S.A. Luxembourg.

Euroclear Sweden AB of Box 191, SE-101 23, Stockholm will also act as accountholder at Euroclear.

Delivery: Delivery free of payment.

Intended to be held in a manner which would allow Eurosystem eligibility: No.

Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

## 6. TERMS AND CONDITIONS OF THE OFFER

Offer Price: In respect of each Class of Notes, Notes of such Class will be offered by the Distributor at the Issue Price in respect of such Class *plus* a subscription fee of up to [2]/[●]% of such Issue Price. Such subscription fee shall be charged by and payable to the Distributor, and, for the avoidance of doubt, shall not be payable by the Issuer, the Dealer or the Swap Counterparty.

Conditions to which the offer is subject: Offers of the Notes by the Distributor are conditional upon their issue.

The Issuer reserves the right for any reason to close the Offer Period early.

Any early closure of the Offer will be published on the Irish Stock Exchange's website ([www.ise.ie](http://www.ise.ie)).

Description of the application: A prospective investor should contact the Distributor during the Offer Period. The Issuer has the right to

process:	<p>close the Offer Period early. A prospective investor will acquire the Notes in accordance with the arrangements existing between the Distributor and its customers relating to the subscription of securities generally and not directly with the Issuer or the Dealer.</p> <p>Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than Sweden wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted due to selling restrictions and thus that the application may be rejected by the Distributor; and (b) contact its financial adviser, bank or financial intermediary for more information.</p>
Details of the minimum and/or maximum amount of application:	The minimum amount of an application in respect of any Class of Notes is SEK [10,000] / [●]. Any application in respect of any Class of Notes in excess of SEK [10,000] / [●] must be in respect of integral multiples of SEK [10,000] / [●].
Description of possibility to reduce subscriptions:	<p>The Issuer has the right to terminate the Offer Period at any time and not proceed with the issuance.</p> <p>Any early closure of the Offer will be published on the Irish Stock Exchange's website (<a href="http://www.ise.ie">www.ise.ie</a>).</p>
Details of the method and time limits for paying up and delivering the Notes:	The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys by debit of a cash account on or before the Issue Date and, where acquired from the Distributor, in accordance with the procedures specified by the Distributor. Allotted Notes will be delivered to a securities account of each Noteholder as soon as practicable after the agreed date of purchase.
Manner in and date on which results of the offer are to be made public:	The precise Initial Class Aggregate Nominal Amount of [the Notes] / [each Class of Notes] will be published on the website of the Irish Stock Exchange ( <a href="http://www.ise.ie">www.ise.ie</a> ) and filed with the Central Bank of Ireland in accordance with Article 8 of the Prospectus Directive in each case on or around the Issue Date.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable.
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	Offers may be made by the Distributor in Sweden to any person.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

Following the end of the Offer Period, the Distributor will proceed to notify the prospective Noteholders as to the amount of their allotment of the Notes, if any.

Dealing may not begin before notification is made.

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

Taxes charged in connection with the subscription, transfer, purchase, or holding of the Notes must be paid by the Noteholders. None of the Issuer, the Dealer nor the Distributor shall have any obligation in relation thereto. In this respect, prospective investors must consult professional tax advisers to determine the tax regime applicable to their own circumstances.

**Subscription fees:** In respect of each Class: up to [2]/[●]% of the Issue Price of the Notes of such Class, which will be charged by, and payable to, Garantum Fondkommission AB when acquiring Notes from it in its capacity as Distributor of the Notes. For the avoidance of doubt, none of the Issuer, the Dealer nor the Swap Counterparty shall be liable to pay any subscription fees.

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

Garantum Fondkommission AB of Norrmalmstorg 16, Stockholm, Sweden (the “**Distributor**”) will be the sole Distributor in Sweden.

*[Issuer to annex issue specific summary to the Final Terms.]*

**Registered office of the Issuer**

**Argentum Capital S.A.**

51 Avenue J.-F. Kennedy  
L-1855 Luxembourg

<b>Trustee</b>	<b>Issuing and Paying Agent</b>	<b>Registrar and Transfer Agent</b>
<b>BNY Mellon Corporate Trustee Services Limited</b>	<b>The Bank of New York Mellon, acting through its London Branch</b>	<b>The Bank of New York Mellon (Luxembourg) S.A.</b>
One Canada Square London E14 5AL United Kingdom	One Canada Square London E14 5AL United Kingdom	2-4 rue Eugène Ruppert Vertigo Building – Polaris L-2453 Luxembourg

**Custodian**

**The Bank of New York Mellon (Luxembourg) S.A.**

2-4 rue Eugène Ruppert  
Vertigo Building – Polaris  
L-2453 Luxembourg

**Swap Counterparty, Disposal Agent and Calculation Agent**

**Credit Suisse International**

One Cabot Square  
London E14 4QJ  
United Kingdom

**Arranger and Dealer**

**Credit Suisse International**

One Cabot Square  
London E14 4QJ  
United Kingdom

**Irish Listing Agent**

*in the case of Notes admitted to the Official List*

**Maples and Calder**

75 St. Stephen's Green  
Dublin 2  
Ireland

**Swedish Agent**

**Skandinaviska Enskilda Banken AB (publ)**

Kungsträdgårdsgatan 8  
106 40 Stockholm  
Kingdom of Sweden

**Noteholder Facilitator**

**Garantum Fondkommission AB**

Norrmalmstorg  
Smålandsgatan 16  
103 90 Stockholm  
Kingdom of Sweden

**Legal Advisers**

*to Credit Suisse International in respect of English law*

**Linklaters LLP**

One Silk Street  
London EC2Y 8HQ  
United Kingdom

*to Credit Suisse International in respect of Luxembourg law*

**Linklaters LLP**

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Grand Duchy of Luxembourg

*to Credit Suisse International in respect of Swedish law*

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