



Total loss-absorbing capacity instrument

Issuer	UBS Group AG ¹
Unique identifier	CH0330938876
Issue Date	08.08.2016
Currency	GBP
Nominal (million)	500
Interest Rate	2.75%
Maturity Date	08.08.2025
Issuer Call; Optional Redemption Date(s)	n/a

¹ Originally issued by Credit Suisse Group Funding (Guernsey) Limited, which was substituted as issuer by Credit Suisse Group AG on 3 November 2020. Subsequently, on 12 June 2023, Credit Suisse Group AG merged into UBS Group AG and, by operation of law, UBS Group AG assumed Credit Suisse Group AG's obligations as issuer under the terms and conditions applicable to this total loss-absorbing capacity instrument. References to "the Issuer" and to "Credit Suisse Group AG" in the terms and conditions applicable to this instrument are to be read and construed as references to "UBS Group AG".

Documentation included in this PDF file:

Annex A	Terms and conditions of the Euro medium term note programme dated 02.08.2016
Annex B	Final Terms relating to the GBP 500,000,000 2.75 per cent. Fixed Rate Notes due 2025



Annex A

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TERMS AND CONDITIONS OF THE NOTES ISSUED BY CREDIT SUISSE GROUP FUNDING (GUERNSEY) LIMITED AND CREDIT SUISSE GROUP AG

The following are the Terms and Conditions of the Notes issued by Credit Suisse Group Funding (Guernsey) Limited and Credit Suisse Group AG. In the case of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms in relation to those Notes may specify other terms and conditions that will, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. Reference should be made to “Applicable Final Terms” for a description of the content of Final Terms, which will specify which of such terms are to apply in relation to the relevant Notes.

References herein to the **Notes** shall mean the notes of the Tranche or Series (each as defined below) specified in the applicable Final Terms (as defined below) issued by the issuer named therein (the **Issuer**). Any reference to Notes includes (a) in the case of Notes issued by Credit Suisse Group Funding (Guernsey) Limited, the Global Note (as defined below) and any Definitive Certificates (as defined below), and (b) in the case of Notes issued by Credit Suisse Group AG, Uncertificated Notes (as defined below).

As used herein, **Tranche** means Notes that are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes that (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions that are the same in all respects save for the issue date, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Notes have the benefit of a Paying Agency Agreement dated 2nd August 2016 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**), among Credit Suisse Group AG, Credit Suisse Group Funding (Guernsey) Limited, and Credit Suisse AG as principal paying agent (the **Agent**, which expression shall include any successor agent and, together with any other paying agents appointed under the Agency Agreement, the **Paying Agents**, which expression shall include any additional or successor paying agents).

If the Notes are issued by Credit Suisse Group Funding (Guernsey) Limited, the payment of all amounts in respect of the Notes has been guaranteed by Credit Suisse Group AG (in such capacity, the **Guarantor**) pursuant to a guarantee (the **Guarantee**), dated 2nd August 2016, and executed by the Guarantor. If the Notes are issued by Credit Suisse Group AG, references to the Guarantor and the Guarantee in these Conditions are not applicable.

These Terms and Conditions (these **Conditions**) are completed by the final terms prepared in connection with the relevant Tranche of Notes (the applicable **Final Terms**). A copy of the applicable Final Terms is available from the relevant Issuer at its registered office. In the case of Notes that are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (as defined below), the applicable Final Terms may specify other terms and conditions that will, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions. The expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Notes and identity.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (a) if such Note is held in the form of an Intermediated Security (as defined below), the person holding such Note in a securities account (*Effektenkonto*) that is in its name or, in the case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding such Note for its own account in a securities account (*Effektenkonto*) that is in its name, and (b) if Definitive Certificates have been printed, the person in whose name the Definitive Certificate representing such Note is registered in the Register.

Words and expressions used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

In these Conditions:

euro means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended; and

Renminbi and **RMB** means the lawful currency of People's Republic of China (the **PRC**).

1. AMOUNT, DENOMINATION AND FORM

1.1 General

The initial aggregate principal amount of the Notes is specified in the applicable Final Terms. All payments in relation to the Notes will be made in the same currency as the aggregate principal amount (the **Specified Currency**). The Notes are issued to Noteholders in the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

1.2 Permanent Global Bearer Note

This Condition 1.2 applies only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

Each Tranche of Notes will initially be issued in the form of a permanent global bearer note (the **Global Note**), which will be deposited with SIX SIS AG (**SIS**) or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIS or any such other intermediary, the **Intermediary**) on or prior to the original issue date of the Tranche. Once the Global Note has been deposited with the Intermediary and the relevant interests in the Notes represented thereby entered into the accounts of one or more participants of the Intermediary, the Notes represented thereby will constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) (**Intermediated Securities**).

Payments of principal, interest (if any) or any other amounts on the Global Note will be made through the Intermediary without any requirement for certification.

So long as the Notes are represented by the Global Note, each holder of Notes shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Global Note to the extent of its claim against the Issuer, provided that for so long as the Global Note remains deposited with the Intermediary and the Notes represented thereby qualify as Intermediated Securities, the co-ownership interest shall be suspended.

So long as the Notes are represented by the Global Note, the records of the Intermediary will determine the nominal amount of Notes represented by the Global Note and the nominal amount of Notes held by or through each participant in the Intermediary.

For so long as the Global Note remains deposited with the Intermediary, the Notes represented thereby will be transferable only in accordance with the rules and procedures for the time being of the Intermediary and may only be transferred by the entry of the transferred Notes in a securities account of the transferee.

No Noteholder will at any time have the right to effect or demand the conversion of the Global Note into, or the delivery of, individually certificated securities (*Wertpapiere*) or uncertificated securities (*Wertrechte*).

References in these Conditions to the Global Note shall apply only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

1.3 Definitive Certificates

This Condition 1.3 applies only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

Individually certificated Notes (*Wertpapiere*) in registered form for U.S. tax purposes (**Definitive Certificates**) will be printed, and the Global Note will be exchanged, in whole, but not in part, for Definitive Certificates, if (and only if) the Agent determines, in its sole discretion, that the printing of the Definitive Certificates is necessary or useful. Should the Agent so determine, (a) it will provide for the printing of the Definitive Certificates without interest coupons and without cost to the Noteholders, (b) the Definitive Certificates shall be executed by affixing thereon the facsimile signatures of two authorised officers of the Issuer, and (c) the Issuer, after consultation with the Agent, will appoint a registrar (the **Registrar**) to establish and maintain a noteholders' register for the Notes (the **Register**) on the Issuer's behalf. The Issuer will notify the Noteholders of any such appointment in accordance with Condition 17. The Register will be established and maintained in a manner to ensure that the Notes are treated as issued in registered form for U.S. tax purposes. Upon delivery

of the Definitive Certificates, the Global Note will immediately be cancelled by the Agent and the Definitive Certificates will be delivered to the Noteholders, who for this purpose need to be registered in the Register, against cancellation of the Notes in their respective securities accounts. Definitive Certificates will not be included in the records of the Intermediary and, therefore, will not constitute Intermediated Securities.

Title to Definitive Certificates will pass on transfer by assignment (*Zession*) and due registration in the Register. If and when Definitive Certificates have been printed as described above, one or more Notes may be transferred only upon surrender (at the specified office of the Registrar of the Definitive Certificate representing such Notes to be transferred, together with the form of transfer attached to such Definitive Certificate, duly completed and executed and any other evidence as the Agent and the Registrar may reasonably require. A new Definitive Certificate will be issued to the transferee in respect of the Notes that are the subject of the relevant transfer and, in the case of a transfer of part only of a holding of Notes represented by a Definitive Certificate, a new Definitive Certificate in respect of the balance of the Notes not transferred will be issued to the transferor. In the case of a transfer of Notes to a person who is already a Noteholder, a new Definitive Certificate representing the enlarged holding may be issued but only against surrender of the Definitive Certificate representing the existing holding of such person.

Payments of principal, interest (if any) or other amounts in respect of a Definitive Certificate will be made only to the person shown on the Register as the registered holder of such Definitive Certificate (i.e., the Noteholder) at close of business on the relevant record date.

References in these Conditions to Definitive Certificates shall apply only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

1.4 **Uncertificated Notes**

This Condition 1.4 applies only to Notes issued by Credit Suisse Group AG.

The Notes will be issued in uncertificated form (**Uncertificated Notes**). Each Tranche of Notes will be entered into the main register (*Hauptregister*) of SIX SIS AG (**SIS**) or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIS or any such other intermediary, the **Intermediary**) on or prior to the Issue Date. Once the Uncertificated Notes are registered in the main register of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Uncertificated Notes will constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) (**Intermediated Securities**).

So long as the Uncertificated Notes constitute Intermediated Securities, they will be transferable only in accordance with the rules and procedures for the time being of the Intermediary and may only be transferred by the entry of the transferred Uncertificated Notes in a securities account of the transferee.

The records of the Intermediary will determine the nominal amount of Notes represented by Uncertificated Notes and the nominal amount of Notes held by or through each participant in the Intermediary.

No individually certificated Notes (*Wertpapiere*) will be printed or delivered. None of the Issuer, the Noteholders and the Agent will at any time have the right to effect or demand the conversion of the Uncertificated Notes into, or the delivery of, a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

References in these Conditions to Uncertificated Notes shall apply only to Notes issued by Credit Suisse Group AG.

2. **This has been intentionally deleted.**

3. **STATUS OF THE NOTES**

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer and without any preference among themselves, except for such preferences as are provided by any mandatory applicable provision of law.

4. **GUARANTEE**

This Condition 4 applies only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

4.1 **Guarantee of Notes**

The Guarantor has, pursuant to the Guarantee, which is governed by Swiss law, undertaken for the benefit of the Noteholders irrevocably and unconditionally to guarantee the payment of principal and interest and any other amounts due under these Conditions.

The Guarantee constitutes an unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other present or future unsecured and unsubordinated obligations of the Guarantor, except for such preferences as are provided by any mandatory applicable provision of law.

4.2 **Rights of Holders**

All rights in respect of the Guarantee are held, and may be exercised exclusively, by the Noteholders, each of whom is directly entitled to require the Guarantor to fulfil its obligations under the Guarantee in respect of such Holder's claims under the Notes and may enforce such claims directly against the Guarantor without first having recourse to the Issuer.

4.3 **Consolidation or merger**

The Guarantor has agreed pursuant to the Guarantee that it will not consolidate with or merge into any other Person (as defined below) or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless the Person formed by such consolidation or into which the Guarantor is merged or the Person that acquires by conveyance or transfer, or which leases, the properties and assets of the Guarantor substantially as an entirety shall be a corporation (including a bank), partnership, limited liability company or trust (or a branch of any of the foregoing), shall be validly existing under the laws of the jurisdiction of its organisation and shall expressly assume in writing the guarantee of the due and punctual payment of the principal of and interest on the Notes (including any additional amounts as specified in Condition 9) pursuant to the terms of the Guarantee and the performance or observance of every covenant in the Guarantee on the part of the Guarantor to be performed or observed.

Person means any individual, corporation, bank, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

4.4 **Modification of Guarantee**

Pursuant to the terms of the Guarantee, for so long as any of the Notes are outstanding, any amendment or modification of the Guarantee will require the consent of Noteholders holding Notes with an aggregate principal amount equal to or greater than two-thirds of the aggregate principal amount of the outstanding Notes in accordance with Condition 18. Notwithstanding the foregoing, the Guarantor may, subject to the mandatory provisions of Swiss law, without the consent or approval of any of the Noteholders, make such amendments to the terms of the Guarantee that in its opinion are of a formal, minor or technical in nature, or made to correct a manifest error, or that in its opinion are not materially prejudicial to the interests of the Noteholders.

5. **This has been intentionally deleted.**

6. **INTEREST**

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

6.1 **Interest on Fixed Rate Notes**

This Condition 6.1 applies to Fixed Rate Notes only.

The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest. Interest will be payable in arrear on each Interest Payment Date up to (and including) the Maturity Date (if any) subject as provided in Condition 7.7.

In the case of Notes represented by Definitive Certificates, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Fixed Rate Notes represented by Definitive Certificates where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated, in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes that are represented by a Global Note or by Uncertificated Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note or Uncertificated Notes; or
- (B) in the case of Fixed Rate Notes that are represented by Definitive Certificates, the Calculation Amount

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note that is represented by a Definitive Certificate comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (c) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest

Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 **Interest on Floating Rate Notes**

This Condition 6.2 applies to Floating Rate Notes only.

The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 6.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(a) **Interest Payment Dates**

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and Hong Kong, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

(ii) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the rate or offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either (i) the London interbank offered rate (**LIBOR**), (ii) the Euro-zone interbank offered rate (**EURIBOR**), (iii) the Singapore interbank offered rate (**SIBOR**), (iv) the Australian Bank Bill Swap Rate (**BBSW**), (v) the Canadian dollar offered rate for bankers acceptances

(**CDOR**), (v) the CNH Hong Kong inter-bank offered rate (**CNH HIBOR**), (vi) the New Zealand Bank Bill reference rate (**BKBM**), (vii) the Hong Kong interbank offered rate (**HIBOR**), (viii) the Stockholm interbank offered rate (**STIBOR**) or (ix) the Norwegian interbank offered rate (**NIBOR**)), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time (as defined below) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such bid rates or offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such bid rates or offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no rate or offered quotation appears or, in the case of (B) above, fewer than three rates or offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the Agent with its bid rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question (which, if the Reference Rate is CDOR, shall be the bid rate for Canadian dollar bankers acceptances for a period equal to the relevant Interest Period for settlement on the relevant Interest Determination Date and in an amount that is representative for a single transaction in the relevant market at the relevant time (a **representative amount**) accepted by the Reference Banks at the Specified Time on the relevant Interest Determination Date). If two or more of the Reference Banks provide the Agent with rates or offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates or offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation or bid rate as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of:

- (i) in the case of a Reference Rate other than CDOR, the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Singapore inter-bank market (if the Reference Rate is SIBOR), the Sydney inter-bank market (if the Reference Rate is BBSW), the Hong Kong inter-bank market (if the Reference Rate is CNH HIBOR or HIBOR), the New Zealand inter-bank market (if the Reference Rate is BKBM), the Stockholm inter-bank market (if the Reference Rate is STIBOR), the Oslo inter-bank market (if the Reference Rate is NIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR), the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), the Singapore inter-bank market (if the Reference Rate is SIBOR), the Sydney inter-bank market (if the Reference Rate is BBSW), the Hong Kong inter-bank market (if the Reference Rate is CNH HIBOR or HIBOR), the New

Zealand inter-bank market (if the Reference Rate is BKBM), the Stockholm inter-bank market (if the Reference Rate is STIBOR), the Oslo inter-bank market (if the Reference Rate is NIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any); or

- (ii) if the Reference Rate is CDOR, the bid rates quoted by any one or more major banks in Toronto (which bank or banks is or are in the opinion of the Issuer suitable for the purposes) and provided to the Agent for Canadian Dollar bankers acceptances for a period equal to the relevant Interest Period for settlement on the relevant Interest Determination Date and in representative amount accepted by the bank or banks at the Specified Time on the relevant Interest Determination Date plus or minus (as appropriate) the Margin (if any),

provided that, in each case, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

As used herein:

Reference Banks means, (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, (iii) in the case of a determination of SIBOR, the principal Singapore office of four major banks in the Singapore inter-bank market, (iv) in the case of a determination of BBSW, the financial institutions authorised to quote on the Reuters Screen BBSW Page, (v) in the case of a determination of CDOR, the principal Toronto office of four major Canadian chartered banks listed in Schedule I to the Bank Act (Canada), (vi) in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market, (vii) in the case of a determination of BKBM, four major trading banks in the New Zealand inter-bank market, (viii) in the case of a determination of STIBOR, four major banks in the Stockholm inter-bank market, (ix) in the case of a determination of NIBOR, four major banks in the Oslo inter-bank market, (x) in the case of a determination of HIBOR, four major banks in the Hong Kong inter-bank market and (xi) in the case of a determination of a Reference Rate that is not LIBOR, EURIBOR, SIBOR, BBSW, CDOR, CNH HIBOR, HIBOR, BKBM, STIBOR or NIBOR, the principal office of four major banks in the inter-bank market of the Relevant Financial Centre; and

Specified Time means (i) 11.00 a.m. (London time, in the case of a determination of LIBOR, Brussels time, in the case of a determination of EURIBOR, Singapore time, in the case of a determination of SIBOR, Hong Kong time, in the case of a determination of HIBOR, Stockholm time, in the case of a determination of STIBOR), (ii) 10.00 a.m. (Toronto time, in the case of a determination of CDOR, Sydney time, in the case of a determination of BBSW), (iii) 11.15 a.m. Hong Kong time or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. Hong Kong time, then 2.30 p.m. Hong Kong time (in the case of a determination of CNH HIBOR), (iv) 10.45 a.m. (New Zealand time, in the case of a determination of BKBM), (v) 12.00 p.m. (Oslo time, in the case of a determination of NIBOR) or (vi) the time in the Relevant Financial Centre specified in the applicable Final Terms, in the case of a determination of any other Reference Rate.

(c) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (c) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the

provisions of paragraph (c) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(d) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes that are represented by a Global Note or by Uncertificated Notes, the aggregate outstanding nominal amount of the Notes represented by such Global Note or Uncertificated Notes; or
- (B) in the case of Floating Rate Notes that are represented by Definitive Certificates, the Calculation Amount

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note that is represented by a Definitive Certificate comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

- (i) if “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (I) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (II) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(e) ***Linear Interpolation***

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) ***Notification of Rate of Interest and Interest Amounts***

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 17 as soon as possible after their determination but in no event later than the fourth Floating Rate Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 17. For the purposes of this paragraph, the expression **Floating Rate Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Zurich and in the place of any stock exchange on which the relevant Floating Rate Notes are for the time being listed.

(g) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 by the Agent shall (in the absence of wilful misconduct, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the other Paying Agents and all Noteholders and (in the absence of misconduct, bad faith and gross negligence) no liability to the Issuer, the Guarantor or the Noteholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 17.

6.4 **Deferral, write-down, cancellation and/or conversion of interest**

Notwithstanding Conditions 6.1 to 6.3, payment of interest under this Condition 6 is subject to deferral during a Suspension Period (as defined in Condition 13.2) and to any write-down and cancellation and/or conversion into equity of Credit Suisse Group AG of the entire, or a portion of, the principal amount of, and/or accrued interest on, the Notes, pursuant to the exercise of any Swiss Resolution Power (as defined in Condition 13.1) or ordering of any Restructuring Protective Measures (as defined in Condition 13.1).

7. PAYMENTS

7.1 Method of payment

Subject to Condition 7.10 and as provided below:

- (a) all payments required to be made under the Notes will be made available in good time in freely disposable funds in the Specified Currency, which will be placed at the free disposal of the Agent on behalf of the Noteholders;
- (b) all payments required to be made under the Notes (including, without limitation, any Additional Amounts) shall be made to the Noteholders in the Specified Currency without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Noteholder and without certification, affidavit or the fulfilment of any other formality; provided, however, that, in the case of Definitive Certificates, the relevant Definitive Certificate must be presented and, in the case of redemption, surrendered at the specified office of the relevant Paying Agent as a condition to receipt of such payment;
- (c) in the case of Notes denominated in Swiss francs, the receipt by the Agent of the due and punctual payment of funds in Swiss francs will release the Issuer from its obligations under the Notes to the extent of such payment;
- (d) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (e) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any agreements, law, regulation or other official guidance implementing an intergovernmental agreement or other intergovernmental approach thereto (collectively, **FATCA**).

7.2 **This has been intentionally deleted.**

7.3 **This has been intentionally deleted.**

7.4 **This has been intentionally deleted.**

7.5 **This has been intentionally deleted.**

7.6 **This has been intentionally deleted.**

7.7 Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation (if presentation is required); and
 - (ii) each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
 - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and

- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

7.8 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 9;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes; and
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.7).

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

7.9 RMB Currency Event

If “RMB Currency Event” is specified in the applicable Final Terms and a RMB Currency Event, as determined by the Issuer or the Guarantor, as the case may be, acting in good faith, exists on a date for payment of any amount in respect of any Note, the Issuer’s or the Guarantor’s obligation to make a payment in RMB under the terms of the Notes or the Guarantee, as the case may be, may be replaced by an obligation to pay such amount in U.S. dollars converted using the Spot Rate for the relevant Rate Calculation Date.

Upon the occurrence of a RMB Currency Event, the Issuer or the Guarantor, as the case may be, shall give notice as soon as practicable to the Noteholders in accordance with Condition 17 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition and unless stated otherwise in the applicable Final Terms:

Governmental Authority means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

Rate Calculation Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

Rate Calculation Date means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes or the Guarantee, as the case may be;

RMB Currency Events means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

RMB Illiquidity means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Issuer or the Guarantor, as the case may be, cannot obtain sufficient RMB in order to make a payment under the Notes or the Guarantee, as the case may be, as determined by the Issuer or the Guarantor, as the case may be, in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong;

RMB Inconvertibility means the occurrence of any event that makes it impossible for the Issuer or the Guarantor, as the case may be, to convert any amount due in respect of the Notes or the Guarantee, as the case may be, into RMB on any payment date at the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is

enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer or the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation);

RMB Non-Transferability means the occurrence of any event that makes it impossible for the Issuer or the Guarantor, as the case may be, to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer or the Guarantor, as the case may be, to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer or the Guarantor, as the case may be, due to an event beyond its control, to comply with such law, rule or regulation); and

Spot Rate means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

7.10 **RMB account**

All payments in RMB in respect of the Notes denominated in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in Hong Kong or such other financial centre(s) as may be specified in the applicable Final Terms as RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong or any relevant RMB Settlement Centre(s)).

8. **REDEMPTION AND PURCHASE**

8.1 **Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount calculated as follows:

- (a) in the case of a Note (other than a Zero Coupon Note where a Redemption/Payment Basis other than 100 per cent. of the nominal amount has been specified in the applicable Final Terms), at 100 per cent. of the Calculation Amount per Calculation Amount as specified in the applicable Final Terms; or
- (b) in the case of a Zero Coupon Note where a Redemption/Payment Basis other than 100 per cent. of the nominal amount has been specified in the applicable Final Terms, at the amount specified in the applicable Final Terms,

in each case in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

8.2 **Redemption for tax reasons**

Subject to Condition 8.8, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Notes are not Floating Rate Notes) or on any Interest Payment Date (if the Notes are Floating Rate Notes), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable) subject to having obtained the prior approval of the Regulator if then required under Swiss banking laws applicable to Credit Suisse Group AG from time to time:

- (a) if (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or the Guarantor would, if required to pay under the Guarantee become obliged to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to

issue the first Tranche of the Notes and (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it; or

- (b) if the Issuer or the Guarantor is prevented by applicable tax laws from making payment of the full amount then due and payable.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by two Directors (if the Issuer is Credit Suisse Group Funding (Guernsey) Limited) or two authorised persons (if the Issuer is Credit Suisse Group AG) of the Issuer or, as the case may be, two authorised persons of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment or become prevented by applicable law from making such payments, as the case may be.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In these Conditions:

FINMA means the Swiss Financial Market Supervisory Authority FINMA and any successor thereto; and

Regulator means FINMA or such other national regulatory body having the leading authority to supervise and regulate Credit Suisse Group AG with respect to its consolidated capital adequacy at the relevant time.

8.3 **Redemption at the option of the Issuer (Issuer Call)**

This Condition 8.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or pursuant to a Make-Whole Redemption or an Ineligibility Issuer Call), such option being referred to as an **Issuer Call**. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 8.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice set out in the applicable Final Terms to the Noteholders in accordance with Condition 17 (which notices shall be irrevocable, shall specify the date fixed for redemption and, if any pre-conditions to such redemption are specified in the applicable Final Terms, that such pre-conditions have been met), redeem all or some only of the Notes then outstanding, subject to having obtained the prior approval of the Regulator if then required under Swiss banking laws applicable to Credit Suisse Group AG from time to time, on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

8.4 **Redemption at the option of the Issuer (Make-Whole Redemption)**

This Condition 8.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or pursuant to an Issuer Call or an Ineligibility Issuer Call) and at a Make-Whole Amount, such option being referred to as a Make-Whole Redemption. The applicable Final Terms contains provisions applicable to any Make-Whole Redemption and must be read in conjunction with this Condition 8.4 for full information on any Make-Whole Redemption. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Reference Bond(s), if applicable, the Reinvestment Margin, the Reinvestment Rate Determination Date, the Quotation Time, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Make-Whole Redemption is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice set out in the applicable Final Terms to the Noteholders in accordance with Condition 17 (which notices shall be irrevocable, shall specify the date fixed for redemption and, if any pre-conditions to such redemption are

specified in the applicable Final Terms, that such pre-conditions have been met), redeem all or some only of the Notes then outstanding, subject to having obtained the prior approval of the Regulator if then required under Swiss banking laws applicable to Credit Suisse Group AG from time to time, on any Optional Redemption Date and at the Make-Whole Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

For the purpose of this Condition 8.4 and unless stated otherwise in the applicable Final Terms, **Make-Whole Redemption Amount** means in respect of each Note (a) the outstanding principal amount of that Note or (b) if higher, the aggregate present value, as determined by the Calculation Agent, of the remaining scheduled payments of principal and interest on that Note (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Optional Redemption Date at the Reinvestment Rate (as determined by the Calculation Agent on the Reinvestment Rate Determination Date specified in the applicable Final Terms) on the basis of the same frequency and by reference to the same day count fraction as is applicable to such payments on the Reference Bond,

where:

Calculation Agent means the Issuer or a person designated by the Issuer to perform the relevant calculation on the Issuer's behalf;

Reference Bond(s) means the security or securities specified in the applicable Final Terms or, if no such securities are so specified, the security or securities, as selected by the Calculation Agent, that would be utilised, as at the Reinvestment Rate Determination Date specified in the applicable Final Terms and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes;

Reference Bond Price means for each Reference Bond (i) the arithmetic average of five Reference Market Maker Quotations for the relevant Optional Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the arithmetic average of all such quotations, or (iii) if only one such Reference Market Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

Reference Market Maker Quotations means, with respect to each Reference Market Maker and any Optional Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the relevant Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at the Quotation Time specified in the applicable Final Terms;

Reference Market Maker means five brokers or market makers of securities such as the relevant Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent; and

Reinvestment Rate means, with respect to any Optional Redemption Date (i) the rate per annum equal to the equivalent yield to maturity of the Reference Bond or, if there is more than one Reference Bond, the arithmetic average of the equivalent yields to maturity of the Reference Bonds, interpolated on a straight-line basis in accordance with customary financial practice, calculated on the Reinvestment Rate Determination Date specified in the applicable Final Terms using a price for each Reference Bond (expressed as a percentage of the principal amount of the Reference Bond(s)) equal to its Reference Bond Price for such Optional Redemption Date, plus (ii) the Reinvestment Margin.

8.5 **Redemption at the option of the Issuer upon an Ineligibility Event (Ineligibility Issuer Call)**

This Condition 8.5 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or pursuant to an Issuer Call or a Make-Whole Issuer Call) upon the occurrence of an Ineligibility Event, such option being referred to as an **Ineligibility Issuer Call**.

Subject to Condition 8.8, if Ineligibility Issuer Call is specified as being applicable in the applicable Final Terms and an Ineligibility Event has occurred and is continuing, the Issuer may redeem all or some only of the Notes then outstanding at any time (if the Notes are not Floating Rate Notes) or on any Interest Payment Date (if the Notes are Floating Rate Notes), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), subject to having obtained the prior

approval of the Regulator if then required under Swiss banking laws applicable to Credit Suisse Group AG from time to time.

In these Conditions:

An **Ineligibility Event** is deemed to have occurred if a change in the Capital Adequacy Ordinance and/or FSB TLAC Standard occurs after the Issue Date having the effect that the Notes cease to be eligible in their entirety to be treated as both (i) debt instruments for loss absorbency in the course of insolvency measures (*Schuldinstrumente zur Verlusttragung bei Insolvenzmassnahmen*) under the Capital Adequacy Ordinance and (ii) External TLAC under the FSB TLAC Standard.

Capital Adequacy Ordinance means the Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Dealers, which entered into force on 1st January 2013, and as amended from time to time, or any successor Swiss law or regulation thereto.

External TLAC means the instruments eligible for external TLAC according to the core features of Sections 7 to 14 of the FSB TLAC Term Sheet or any corresponding provisions of any other FSB TLAC Standard.

FSB TLAC Principles means the Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution of 9th November 2015, published by the Financial Stability Board.

FSB TLAC Standard means the FSB TLAC Principles and the FSB TLAC Term Sheet and any successor document or documents published by the Financial Stability Board that sets standards for External TLAC.

FSB TLAC Term Sheet means the Total Loss-absorbing Capacity (TLAC) Term Sheet of 9th November 2015 published by the Financial Stability Board.

TLAC means total loss-absorbing capacity.

Prior to the publication of any notice of redemption pursuant to this Condition 8.5, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders a certificate signed by two Directors (if the Issuer is Credit Suisse Group Funding (Guernsey) Limited) or two authorised persons (if the Issuer is Credit Suisse Group AG) of the Issuer or, as the case may be, two authorised persons of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

Notes redeemed pursuant to this Condition 8.5 will be redeemed at their Early Redemption Amount referred to in Condition 8.7 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.6 **Partial redemption at the option of the Issuer**

In the case of a partial redemption of Notes pursuant to Conditions 8.3, 8.4 and 8.5 above, the Notes to be redeemed (the **Redeemed Notes**) will (i) in the case of Redeemed Notes represented by Definitive Certificates, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note or by Uncertificated Notes, be selected in accordance with the rules of the Intermediary (to be reflected in the records of the Intermediary as a reduction in nominal amount). In the case of Redeemed Notes represented by Definitive Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 17 not less than 15 days prior to the date fixed for redemption.

8.7 **Early Redemption Amounts**

For the purpose of Conditions 8.2 and 8.5 above and Condition 11.1:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount:
- (b) each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^Y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360, or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

8.8 **Limitations on redemption**

Notwithstanding Conditions 8.1 to 8.7, any redemption of the Notes under this Condition 8 is subject to any write-down and cancellation and/or conversion into equity of Credit Suisse Group AG of the entire, or a portion of, the principal amount of, and/or accrued interest on, the Notes and, in the case of Condition 8.1, to deferral during a Suspension Period, in each such case pursuant to the exercise of any Swiss Resolution Power or ordering of any Restructuring Protective Measures.

In addition and notwithstanding Conditions 8.2, 8.3 and 8.5, if the Issuer has given notice to the Noteholders to redeem all or some only of the Notes then outstanding pursuant to Conditions 8.2, 8.3 or 8.5, but, prior to payment of the redemption amount with respect to such redemption, a Restructuring Event (as defined in Condition 12.1) occurs (in the case of Notes issued by Credit Suisse Group Funding (Guernsey) Limited) or CSG Restructuring Proceedings (as defined in Condition 13.1) are opened (in the case of Notes issued by Credit Suisse Group AG), then such redemption notice shall be automatically rescinded and shall be of no force and effect, such redemption shall be cancelled, payment of the redemption amount in respect of such redemption shall no longer be due and payable and no such redemption of the Notes shall take place.

8.9 **Purchases**

The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including (without limitation) applicable stock exchange regulations and subject to having obtained the prior approval of the Regulator if then required under Swiss banking laws applicable to Credit Suisse Group AG from time to time.

Notes so purchased may be held, resold or surrendered to any Paying Agent for cancellation.

8.10 **Cancellation**

All Notes that are redeemed will forthwith be cancelled. All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.9 above shall be forwarded to the Agent and cannot be reissued or resold.

8.11 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1, 8.2, 8.3, 8.4 or 8.5 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.7(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 17.

9. **TAXATION**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes (including amounts paid by the Guarantor) shall be made free and clear of, and without withholding or deduction for, any taxes,

duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any governmental or other taxing authority unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed in respect of the Notes by or on behalf of any Tax Jurisdiction, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable by the Issuer or the Guarantor to any such holder on account of:

- (a) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note by reason of the holder thereof having some connection with a Tax Jurisdiction other than the mere holding of such Note; or
- (b) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.7); or
- (c) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the European Council Directive 2003/48/EC of 3rd June 2003, including, but not limited to, the agreement between the European Community and Switzerland of 26th October 2004, or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or
- (d) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation of the Swiss Federal Council of 17th December 2014, or otherwise changing the Swiss federal withholding tax system from an issuer-based system to a paying-agent-based system pursuant to which a person in Switzerland other than the Issuer is required to withhold tax on any interest payments; or
- (e) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note where such withholding or deduction is required by the Swiss Federal Withholding Tax Act of 13th October 1965 (*Bundesgesetz über die Verrechnungssteuer vom 13 Oktober 1965*) and such Notes are issued by Credit Suisse Group AG prior to 1st January 2017; or
- (f) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note where such withholding or deduction is required to be made pursuant to any agreement between Switzerland and another country on final withholding taxes (*internationale Quellensteuern*) levied by a Swiss paying agent, as defined in the respective treaty, in respect of an individual resident in the other country on interest or capital gain paid, or credited to an account, relating to such Note; or
- (g) in the case of Notes issued by Credit Suisse Group Funding (Guernsey) Limited, any such taxes, duties, assessments or other governmental charges imposed in respect of such Note where upon the occurrence of a Completion Event, a Post-Restructuring Exchange occurs and such withholding or deduction is imposed on any payment to the Noteholders of any accrued and unpaid interest on the Notes up to (and including) the date immediately prior to the date of such Post-Restructuring Exchange; or
- (h) any combination of two or more items (a) through (g) above.

Notwithstanding any other provision of these Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to FATCA.

As used herein:

- (i) **Tax Jurisdiction** means in relation to Notes issued by Credit Suisse Group Funding (Guernsey) Limited, Guernsey, and in relation to Notes issued or guaranteed by Credit Suisse Group AG, Switzerland and, in each case, including any authority thereof or therein having power to tax; and

- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 17.

10. PRESCRIPTION

In accordance with Swiss law, claims for payment of principal and interest under the Notes will become time-barred unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the date on which such payment first became due and payable.

11. EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default relating to Notes

If any of the following events (each an **Event of Default**) occurs and is continuing:

(a) ***Non-payment of interest***

the Issuer fails to pay in the Specified Currency any interest on any of the Notes when due and such failure continues for a period of 30 days; or

(b) ***Non-payment of principal***

the Issuer fails to pay in the Specified Currency the principal of any of the Notes when due and such failure continues for a period of 10 days; or

(c) ***Breach of other obligations***

the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations under the Notes or the Guarantee, which default is not remedied within 60 days after notice of such default shall have been given to the Agent at its specified office by any Noteholder; or

(d) ***Insolvency***

(i) the Issuer or the Guarantor is (or is deemed by a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as they fall due, makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally or a moratorium is agreed or declared in respect of the debts of the Issuer or the Guarantor; or

(ii) the Issuer or the Guarantor commences a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation or similar law to be adjudicated insolvent or bankrupt, or consents to the entry of a decree or order for relief in any involuntary case or proceeding under any such law; or

(e) ***Winding-up***

an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation where all of the assets of the Issuer or the Guarantor, as the case may be, are transferred to, and all of its debts and liabilities are assumed by, a continuing entity; or

(f) ***Guarantee***

save where the Guarantee ceases to apply to the Notes pursuant to Condition 12.1(a) or Condition 12.2, the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;

then the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may, by notice in writing given to the Agent at its specified office, declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further formality unless such Event of Default shall have been remedied prior to the receipt of such notice by the Agent, provided that none of (i) the opening of CSG Restructuring Proceedings, (ii) the exercise of any Swiss Resolution Power with respect to Credit Suisse Group AG that requires or results in any write-down and cancellation and/or conversion into equity of Credit Suisse Group AG of the entire, or a portion of, the principal amount of, and/or accrued interest on, the Notes, (iii) the ordering of any

Restructuring Protective Measures that require or result in the deferment of payment of principal and/or interest under the Notes and (iv) any consequences resulting from any of the foregoing, will constitute an Event of Default. However, any consequences resulting from any Non-Restructuring Protective Measures (as defined in Condition 13.1) that would otherwise constitute an Event of Default will constitute an Event of Default with respect to such Notes.

Upon the Notes becoming immediately due and payable under this Condition 11.1, the Issuer will give notice of this fact to the Noteholders in accordance with Condition 17.

12. SUBSTITUTION

12.1 Restructuring Issuer Substitution and exchange of Notes following a Completion Event

This Condition 12.1 applies only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

(a) *Restructuring Issuer Substitution*

For so long as any of the Notes are outstanding, upon the occurrence of a Restructuring Event the Issuer will, without the consent of the Noteholders, automatically substitute the Guarantor for itself for all purposes under the Notes (such substitution, a **Restructuring Issuer Substitution**). As soon as practicable after the occurrence of a Restructuring Event, the Guarantor will give notice of such Restructuring Event to the Noteholders in accordance with Condition 17 but failure to give such notice will not invalidate the substitution.

The Guarantor has undertaken in favour of each Noteholder in the Guarantee that immediately upon a Restructuring Issuer Substitution it shall be bound by these Conditions as the principal debtor under the Notes in place of the Issuer without the need for any further action to be taken or thing to be done.

Upon any substitution pursuant to this Condition 12.1(a), the Issuer shall be released from its obligations under the Notes and the Guarantor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Guarantor had been named as the Issuer in these Conditions and the Guarantee shall cease to apply to the Notes.

In these Conditions:

Bank Restructuring Event means the opening of Bank Restructuring Proceedings by the Swiss Resolution Authority;

Bank Restructuring Proceedings means Restructuring Proceedings with respect to Credit Suisse AG;

CSG Restructuring Event means the opening of CSG Restructuring Proceedings by the Swiss Resolution Authority; and

Restructuring Event means a Bank Restructuring Event or a CSG Restructuring Event, as applicable.

(b) *Exchange of Notes following a Completion Event*

For so long as any of the Notes are outstanding, upon the occurrence of a Completion Event in respect of which a Post-Restructuring Exchange (as defined below) is required or has been elected by the Guarantor as issuer pursuant to this Condition 12.1(b), the Guarantor as issuer will give notice of such Completion Event to the Noteholders in accordance with Condition 17 (which notice shall include a copy of the relevant notice published by the Swiss Resolution Authority) no more than 30 days after the occurrence of the Completion Event and if and to the extent (i) the Notes have not been fully written-down and/or converted into equity of the Guarantor and (ii) the Guarantor as issuer is subject to Swiss Withholding Tax in respect of payments on the Notes, then the Guarantor shall mandatorily exchange all of the Notes then outstanding in full for a like principal amount of New Notes on a one-for-one basis (such exchange, a **Post-Restructuring Exchange**) by (a) redeeming the Notes through the delivery of New Notes in lieu of cash to the Noteholders (by delivery of such New Notes to (i) if the Notes are held in the form of Intermediated Securities, the securities accounts of the Noteholders against cancellation of the Notes or (ii) if Definitive Certificates have been printed, to the Noteholders against presentation and surrender of the relevant Definitive Certificates) and (b) paying to the Noteholders any accrued and unpaid interest on the Notes to (but excluding) the date of such exchange (but only to the extent that such interest has not been written-down and cancelled or

converted into equity of the Guarantor in connection with the relevant CSG Restructuring Proceedings), in each case on the Completion Event Exchange Date and upon such delivery and payment, the Guarantor's obligations in respect of the Notes will be discharged (and, in the case of Definitive Certificates, no further payment will be made on, and the Guarantor as issuer will have no further obligations in respect of, such Definitive Certificates, pending their presentation and surrender in accordance with this Condition 12.1).

Interest on the New Notes will accrue from (and including) the Completion Event Exchange Date, as the issue date of the New Notes.

Notwithstanding the foregoing, if at the time of the Completion Event, the Guarantor as issuer is not subject to Swiss Withholding Tax, the Guarantor may, but will not be required to, exchange and redeem the Notes pursuant to a Post-Restructuring Exchange.

In these Conditions:

Completion Event means, following a Restructuring Event, the publication of the notice by the Swiss Resolution Authority that the CSG Restructuring Proceedings have been completed; provided, however, that if the Restructuring Event occurred as a result of Bank Restructuring Proceedings only, and no CSG Restructuring Event has occurred, then it means the publication of the notice by the Swiss Resolution Authority that the Bank Restructuring Proceedings have been completed;

Completion Event Notice means, upon the occurrence of a Completion Event with respect to which a Post-Restructuring Exchange is required or has been elected by the Guarantor pursuant to this Condition 12.1(b), the notice to be given to the Noteholders pursuant to this Condition 12.1(b), which notice will state that a Completion Event has occurred and specify the Completion Event Exchange Date;

Completion Event Exchange Date means the date on which a Post-Restructuring Exchange will take place as specified in the Completion Event Notice, which date will be not less than 60 nor more than 90 Business Days after the date of the Completion Event Notice;

New Notes means notes (a) to be issued by Credit Suisse Group Funding (Guernsey) Limited, with the benefit of a guarantee from the Guarantor on similar terms to the Guarantee, (b) otherwise having the same terms and conditions as the Notes (including, without limitation, the same denomination) at the time of the Post-Restructuring Exchange (which may be less than the Specified Denomination), and (c) having an aggregate principal amount equal to the aggregate principal amount of the Notes outstanding on the date of the Post-Restructuring Exchange; and

Swiss Withholding Tax means that on the occasion of the next payment due under the Notes the Guarantor as issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 in respect of any withholding or deduction imposed by or on behalf of the Swiss Federation in respect of the Notes.

12.2 Voluntary Substitution

This Condition 12.2 applies only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

For so long as any of the Notes are outstanding, the Issuer may at any time, without the consent of the Noteholders, substitute the Guarantor for itself for all purposes under the Notes upon giving no more than 30 and no less than 10 days' notice to the Noteholders in accordance with Condition 17 (a **Voluntary Issuer Substitution**), provided that:

- (a) the Issuer is not in default in respect of any amount payable under the Notes at the time of such substitution;
- (b) the Guarantor is not subject to Swiss Withholding Tax in respect of payments on the Notes;
- (c) the Issuer and the Guarantor enter into such documents (the **Substitution Documents**) as are necessary to give effect to such substitution and pursuant to which the Guarantor undertakes in favour of each Noteholder to be bound by these Conditions as the principal debtor under the Notes in place of the Issuer and procure that all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Substitution Documents and the

Notes represent valid, legally binding and enforceable obligations of the Guarantor have been taken, fulfilled and done and are in full force and effect;

- (d) if the Guarantor's residence for tax purposes is in a jurisdiction (the **New Residence**) other than that in which the Issuer prior to such substitution was resident for tax purposes (the **Former Residence**), the Substitution Documents contain an undertaking by the Guarantor and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of an undertaking in terms corresponding to the provisions of Condition 9 in relation to the payment of all amounts due and payable under, or in respect of, the Notes, with the substitution of references to the Former Residence with references to the New Residence, and an undertaking by the Guarantor to indemnify each Noteholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the New Residence and, if different, the jurisdiction of the Guarantor's organisation with respect to any Note and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to such substitution;
- (e) the Issuer and the Guarantor have obtained all necessary governmental and other approvals and consents for such substitution and for the performance by the Guarantor of its obligations under the Substitution Documents (including, without limitation, as may be required from the Regulator); and
- (f) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in paragraph (d) above and in Switzerland as to the fulfilment of the preceding conditions of this Condition 12.2.

Upon any substitution pursuant to this Condition 12.2, the Guarantor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if the Guarantor had been named as the Issuer in these Conditions, the Issuer shall be released from its obligations under the Notes and the Guarantee shall cease to apply to the Notes.

12.3 **This has been intentionally deleted.**

13. SWISS RESOLUTION POWER, RESTRUCTURING PROTECTIVE MEASURES AND SUSPENSION PERIOD

13.1 Swiss Resolution Power and Restructuring Protective Measures

By its acquisition of the Notes, each Noteholder (including each beneficial owner) acknowledges, agrees to be bound by and consents to the exercise of any Swiss Resolution Power with respect to Credit Suisse Group AG (without prior notice being given by the Swiss Resolution Authority of its decision to exercise such Swiss Resolution Power) that results in the write-down and cancellation and/or conversion into equity of Credit Suisse Group AG of the entire, or a portion of the, principal amount of, and/or accrued interest on, the Notes, irrespective of whether such amounts have already become due and payable prior to the exercise of such action. In addition, by its acquisition of the Notes, each Noteholder (including each beneficial owner) acknowledges, agrees to be bound by, and consents to the ordering of any Restructuring Protective Measures (without prior notice being given by the Swiss Resolution Authority of its decision to order such Restructuring Protective Measures) that result in the deferment of payment of principal and/or interest on the Notes. By its acquisition of the Notes, each Noteholder (including each beneficial owner) further acknowledges, agrees and consents that its rights are subject to, and if necessary, will be altered without such Noteholder's or beneficial owner's consent, including by means of an amendment or modification to these Conditions so as to give effect to any such exercise of any Swiss Resolution Power or any such ordering of Restructuring Protective Measures. Such acknowledgement, agreement and consent does not qualify as a waiver of the rights, procedural or otherwise, existing for creditors generally, and a holder of Notes specifically, under the applicable banking regulation pursuant to which any Swiss Resolution Power is exercised.

By its acquisition of the Notes, each Noteholder (including each beneficial owner) further automatically and irrevocably waives its right to claim or receive and will not have any rights against the Issuer or Credit Suisse Group AG with respect to repayment of any principal and/or accrued and unpaid interest on the Notes that is written-down and cancelled or converted into equity of Credit Suisse Group AG as a result of the exercise of any Swiss Resolution Power. Following the occurrence of any write-down and cancellation or conversion into equity of Credit Suisse Group AG of all or any portion of the principal and/or interest on the Notes, the aggregate principal amount of the Notes and/or any interest thereon subject to such write-down or conversion will be cancelled and no further principal or interest shall be due and payable and no Event of Default shall

thereafter exist with respect to the amount by which such principal amount of the Notes and/or any interest on the Notes is so written-down or converted and cancelled.

No payment of principal or interest under the Notes shall become due and payable after the exercise of any Swiss Resolution Power with respect to Credit Suisse Group AG that results in the write-down and cancellation and/or conversion into equity of Credit Suisse Group AG of the entire, or a portion of the, principal amount of, and/or accrued interest on, the Notes or the ordering of any Restructuring Protective Measures that require or result in the deferment of payment of principal and/or interest under the Notes, unless at the time of such payment it would be permitted to be made by Credit Suisse Group AG under the laws and regulations of Switzerland then applicable to Credit Suisse Group AG.

In addition, by its acquisition of the Notes, each Noteholder (including each beneficial owner) agrees, subject to applicable law, that it shall not be entitled to exercise, claim or plead any right of set-off, compensation or retention or netting arrangement in respect of any amount payable to it by the Issuer or the Guarantor in respect of, or arising under or in connection with, the Notes, and to have waived all such rights of set-off, compensation or retention, or in respect of such netting arrangement, whether arising before or during any Restructuring Proceedings or winding up of the Issuer or the Guarantor.

In these Conditions:

- (i) **CSG Restructuring Proceedings** means Restructuring Proceedings with respect to Credit Suisse Group AG;
- (ii) **Non-Restructuring Protective Measures** means any Protective Measures ordered by the Swiss Resolution Authority with respect to Credit Suisse Group AG that are ordered outside of and independently of any CSG Restructuring Proceedings;
- (iii) **Protective Measure** means any protective measure that the Swiss Resolution Authority may order pursuant to any statutory power set forth in article 26 of the Swiss Banking Act, or in any successor or analogous Swiss law or regulation applicable to bank holding companies in Switzerland such as Credit Suisse Group AG, including, without limitation (a) giving instructions to the governing bodies of the respective entity, (b) appointing an investigator, (c) stripping governing bodies of their power to legally represent the respective entity or removing them from office, (d) removing the regulatory or company-law audit firm from office, (e) limiting the respective entity's business activities, (f) forbidding the respective entity from making or accepting payments or undertaking security trades, (g) closing down the respective entity, or (h) except for mortgage-secured receivables of central mortgage bond institutions, ordering a moratorium or deferral of payments;
- (iv) **Restructuring Proceedings** means restructuring proceedings within the meaning of article 28 et. seq. of the Swiss Banking Act and article 40 et. seq. of the Swiss Banking Insolvency Ordinance, or any successor or analogous Swiss law or regulation applicable to banks or bank holding companies in Switzerland such as Credit Suisse Group AG;
- (v) **Restructuring Protective Measures** means any Protective Measures ordered by the Swiss Resolution Authority with respect to Credit Suisse Group AG that are ordered or confirmed upon the opening of or during any CSG Restructuring Proceedings;
- (vi) **Swiss Banking Act** means the Swiss Federal Act of 8th November 1934 on Banks and Savings Banks, as may be amended from time to time;
- (vii) **Swiss Banking Insolvency Ordinance** means the Ordinance of 30th August 2012 of FINMA on the Insolvency of Banks and Securities Dealers, as may be amended from time to time;
- (viii) **Swiss Resolution Authority** means FINMA or any other authority in Switzerland that is competent under Swiss law to exercise a Swiss Resolution Power or order Protective Measures at the relevant time; and
- (ix) **Swiss Resolution Power** means any statutory power of the Swiss Resolution Authority that it may exercise during Restructuring Proceedings as set forth in article 28 et. seq. of the Swiss Banking Act and article 40 et. seq. of the Swiss Banking Insolvency Ordinance, or in any successor or analogous Swiss law or regulation applicable to bank holding companies in Switzerland, such as Credit Suisse Group AG, including, without limitation, the power to (a) transfer the assets of the entity subject to such Restructuring Proceedings, or portions thereof, together with such entity's debt and other liabilities, or portions thereof, and contracts, to another entity, (b) stay (for a maximum of two

business days) the termination of, and the exercise of rights to terminate, netting rights, rights to enforce or dispose of certain types of collateral or rights to transfer claims, liabilities or certain collateral, in each case, under contracts to which the entity subject to such Restructuring Proceedings is a party, (c) convert the debt of the entity subject to such Restructuring Proceedings into equity of such entity, and/or (d) partially or fully write-down the obligations of the entity subject to such Restructuring Proceedings.

13.2 **Suspension Period**

If the Swiss Resolution Authority orders any Restructuring Protective Measures requiring the deferral, but not cancellation, of the payment of principal and/or interest due, or which would otherwise become due, on the Notes, such payment of principal and/or interest on the Notes will be deferred, but not cancelled, for the duration of the applicable Suspension Period. Interest payments on the Notes will be cumulative, so that following the termination of a Suspension Period, the Issuer will be required to make any payment of principal that was due or became due and/or accrued and unpaid interest that was deferred during such Suspension Period (but only to the extent such principal and/or accrued and unpaid interest was not subsequently fully or partially written-down and cancelled and/or converted into equity of Credit Suisse Group AG during such Suspension Period through the exercise of a Swiss Resolution Power).

Any payment of principal and/or interest that was due or became due, or which would otherwise have become due, but was not paid prior to or during any Suspension Period in accordance with the first sentence of the preceding paragraph will be payable (without interest on such previously due and unpaid amounts and only to the extent such principal and/or interest was not subsequently fully or partially written-down and cancelled and/or converted into equity of Credit Suisse Group AG during such Suspension Period) on the later of (i) the next Interest Payment Date after the date on which such Suspension Period ends and (ii) the date that is 15 Business Days after the date on which such Suspension Period ends. The deferral of any payment of principal or interest in accordance with this Condition 13.2 shall not constitute an Event of Default. When a Suspension Period is no longer in effect, the Issuer will so notify the Noteholders in accordance with Condition 17.

As used herein, **Suspension Period** means the period for which the Swiss Resolution Authority orders any Restructuring Protective Measures requiring the deferral, but not cancellation, of the payment of principal and/or interest due, or which would otherwise become due, on the Notes. Any such deferral shall not constitute an Event of Default under the Notes.

14. **REPLACEMENT OF NOTES**

This Condition 14 applies only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

Should any Note be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

15. **PAYING AGENTS AND REGISTRAR**

The initial Paying Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent (including in circumstances where any Paying Agent does not become, or ceases to be, a Participating FFI) and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent, provided that:

- (a) there will at all times be an Agent and, if Definitive Certificates are printed (in the case of Notes issued by Credit Suisse Group Funding (Guernsey) Limited), a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) subject to clause (d) below, there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated; and

- (d) so long as any Swiss franc-denominated Notes are listed on the SIX Swiss Exchange, the Issuer or the Guarantor will at all times maintain an Agent having a specified office in Switzerland, and at no time will the Issuer or Guarantor maintain a Paying Agent having a specified office outside of Switzerland in respect of Swiss franc-denominated Notes listed on the SIX Swiss Exchange.

In acting under the Agency Agreement, the Paying Agents (and Registrar (in the case of Notes issued by Credit Suisse Group Funding (Guernsey) Limited), if any) act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders.

In these Conditions:

FFI means a “foreign financial institution” as such term is defined pursuant to Sections 1471 to 1474 (inclusive) of the Code and any regulations thereunder or official interpretations thereof.

Participating FFI means an FFI that is a “participating foreign financial institution” as from the effective date of withholding on “passthru payments” (as such terms are defined pursuant to Sections 1471 to 1474 (inclusive) of the Code and any regulations thereunder or official interpretations thereof).

16. This has been intentionally deleted.

17. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London it being expected that any such publication in a newspaper will be made in the *Financial Times* in London, or (b) if and for so long as the Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg, it being expected that such publication will be made in the *Luxemburger Wort* or the *Tageblatt* in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu), or (c) if and so long as the Notes are listed on the SIX Swiss Exchange and so long as the rules of the SIX Swiss Exchange so require, either (i) by means of electronic publication on the internet website of the SIX Swiss Exchange (www.six-swiss-exchange.com, where notices are currently published under the address www.six-swiss-exchange.com/bonds/issuers/official_notices/search_en.html) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Notwithstanding the above, if Definitive Certificates are printed (in the case of Notes issued by Credit Suisse Group Funding (Guernsey) Limited), all notices regarding the Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Notes represented by a Definitive Certificate are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

18. MEETINGS OF NOTEHOLDERS AND MODIFICATION

18.1 Meetings of Noteholders

The provisions on bondholder meetings contained in article 1157 et seq. (other than, in the case of Notes issued by Credit Suisse Group Funding (Guernsey) Limited, article 1157 paragraph (1) and articles 1176 – 1179) of the Swiss Federal Code of Obligations shall apply in relation to meetings of Noteholders.

18.2 Modifications

Notwithstanding Condition 18.1, the Issuer may, subject to the mandatory provisions of Swiss law, without the consent or approval of the Noteholders, make such amendments to the terms of the Notes that in its opinion are of a formal, minor or technical nature or made to correct a manifest or proven error, or that in its opinion are not materially prejudicial to the interests of the Noteholders.

The Issuer shall notify the Noteholders of any amendments made pursuant to this Condition 18.2 in accordance with Condition 17, which notice shall state the date on which such amendment will be effective.

19. CURRENCY INDEMNITY

The Specified Currency is (save as provided in Condition 7.9) the sole currency of account and payment for all sums payable by the Issuer or the Guarantor under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than the Specified Currency (save as provided in Condition 7.9) (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer or Guarantor shall only constitute a discharge to the Issuer and Guarantor to the extent of the amount of the Specified Currency which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Specified Currency amount is less than the Specified Currency amount expressed to be due to the recipient under any Note, the Issuer (or the Guarantor, as the case may be) shall indemnify it against any loss sustained by it as a result. In any event, the Issuer (or the Guarantor, as the case may be) shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgement or order.

20. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the issue date, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

21. This has been intentionally deleted.

22. GOVERNING LAW AND JURISDICTION

22.1 Governing law

These Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of Switzerland.

22.2 Jurisdiction

Any dispute that might arise based on these Conditions or the Notes shall fall within the exclusive jurisdiction of the courts of the city of Zurich and, if permitted, the Commercial Court of the Canton of Zurich, the place of jurisdiction being Zurich 1.

The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of the Notes.

22.3 Service of Process

This Condition 22.3 applies only to Notes issued by Credit Suisse Group Funding (Guernsey) Limited.

The Issuer designates the offices of Credit Suisse AG at Paradeplatz 8, 8001 Zurich, Switzerland, as its delivery address for the service of judicial documents pursuant to article 140 of the Swiss Rules of Civil Procedure (*Schweizerische Zivilprozessordnung*), and as special domicile pursuant to article 50 of the Swiss Act of Debt Enforcement and Bankruptcy.



Annex B

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FINAL TERMS

4th August 2016

Credit Suisse Group Funding (Guernsey) Limited

**Issue of £500,000,000 2.75 per cent. Fixed Rate Notes due
2025 Guaranteed by Credit Suisse Group AG
under the
Euro Medium Term Note Programme**

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes issued by Credit Suisse Group Funding (Guernsey) Limited and Credit Suisse Group AG (the **Conditions**) set forth in the Base Prospectus dated 2nd August 2016 (the **Base Prospectus**) which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the 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, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer and on the Luxembourg Stock Exchange's website (www.bourse.lu) and copies may be obtained from the specified office of the Agent.

- | | | | |
|----|-----|--|--|
| 1. | (a) | Series Number: | 8 |
| | (b) | Tranche Number: | 1 |
| | (c) | Date on which Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | | Specified Currency or Currencies: | Pounds Sterling (£) |
| 3. | | Aggregate Nominal Amount: | |
| | (a) | Series: | £500,000,000 |
| | (b) | Tranche: | £500,000,000 |
| 4. | | Issue Price: | 99.414 per cent. of the Aggregate Nominal Amount |
| 5. | (a) | Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000. |
| | (b) | Calculation Amount (in relation to calculation of interest in global form see Conditions): | £1,000 |
| 6. | (a) | Issue Date: | 8th August 2016 |
| | (b) | Interest Commencement Date: | Issue Date |
| 7. | | Maturity Date: | 8th August 2025 |
| 8. | | Interest Basis: | 2.75 per cent. Fixed Rate
(further particulars specified below) |

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|-----|---|--|
| 9. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount |
| 10. | Change of Interest Basis: | Not Applicable |
| 11. | Put/Call Options: | Not Applicable |
| 12. | (a) Guarantee: | Applicable |
| | (b) Date Board approval for issuance of Notes obtained: | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|---|--|
| 13. | Fixed Rate Note Provisions: | Applicable |
| | (a) Rate(s) of Interest: | 2.75 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 8th August in each year up to and including the Maturity Date |
| | (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | £27.50 per Calculation Amount |
| | (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | Not Applicable |
| | (e) Day Count Fraction: | Actual/Actual (ICMA) |
| | (f) Determination Date(s): | 8th August in each year |
| 14. | Floating Rate Note Provisions: | Not Applicable |
| 15. | Zero Coupon Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|--|--|
| 16. | Notice Periods for Condition 8.2: | Minimum period: 30 days
Maximum period: 60 days |
| 17. | Issuer Call: | Not Applicable |
| 18. | Ineligibility Issuer Call: | Not Applicable |
| 19. | Make-Whole Redemption: | Not Applicable |
| 20. | Investor Put: | Not Applicable |
| 21. | Final Redemption Amount: | £1,000 per Calculation Amount |
| 22. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | £1,000 per Calculation Amount |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|----------------|--|
| 23. | Form of Notes: | Global Note deposited with SIX SIS AG, Olten, Switzerland.

Definitive Certificates will be printed, and the Global Note will be exchanged, in whole, but not in part, for |
|-----|----------------|--|

Definitive Certificates, if (and only if) the Agent determines, in its sole discretion, that the printing of the Definitive Certificates is necessary or useful.

Should the Agent so determine, (i) it will provide for the printing of the Definitive Certificates without interest coupons and without cost to the Noteholders, and (ii) the Issuer, after consultation with the Agent, will appoint the Registrar to establish and maintain the Register on the Issuer's behalf. The Issuer will notify the Noteholders of any such appointment in accordance with Condition 17 of the Conditions.

Upon delivery of the individually Definitive Certificates, the Global Note will immediately be cancelled by the Agent and the Definitive Certificates will be delivered to the Noteholders, who for this purpose need to be registered in the Register, against cancellation of the Notes in their respective securities accounts. Definitive Certificates will not be included in the records of the Intermediary and, therefore, will not constitute Intermediated Securities.

Title to Definitive Certificates will pass on transfer by assignment (*Zession*) and due registration in the Register.

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|-----|---------------------------------|----------------------------|
| 24. | New Global Note (NGN): | No |
| 25. | Additional Financial Centre(s): | TARGET2 System and Zurich, |

PROVISIONS APPLICABLE TO RMB NOTES

- | | | |
|-----|--|----------------|
| 26. | RMB Currency Event: | Not Applicable |
| 27. | Party responsible for calculating the Spot Rate: | Not Applicable |
| 28. | RMB Settlement Centre(s): | Not Applicable |

PART B—OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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|-------|---|--|
| (i) | Listing and admission to trading: | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange with effect from 8th August 2016. |
| (ii) | Minimum trading size: | Not Applicable |
| (iii) | Estimate of total expenses related to admission to trading: | €5,530 |

2. RATINGS

The Notes to be issued have been rated BBB+ by Standard & Poor's Credit Market Services Europe Limited (**S&P**), A- by Fitch Ratings Limited (**Fitch**) and Baa3 by Moody's Investors Service Ltd (**Moody's**).

Each of S&P, Fitch and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services, for the Issuer and the Guarantor and their affiliates in the ordinary course of business.

4. YIELD (*Fixed Rate Notes Only*)

Indication of yield: 2.825 per cent. per annum

5. HISTORIC INTEREST RATES (*Floating Rate Notes Only*)

Not Applicable

6. OPERATIONAL INFORMATION

- | | | |
|--------|---|--|
| (i) | Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| (ii) | Delivery: | Delivery against payment |
| (iii) | Names and addresses of initial Paying Agent(s) (if any): | Credit Suisse AG
Paradeplatz 8
CH-8001 Zurich
Switzerland |
| (iv) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (v) | ISIN: | CH0330938876 |
| (vi) | Common Code: | 146876358 |
| (vii) | Swiss Security Number: | 33093887 |
| (viii) | Relevant Clearing System(s): | SIX SIS AG |
- Further clearing and settlement through both Euroclear

and Clearstream Luxembourg

7. **DISTRIBUTION**

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names of Managers: Credit Suisse Securities (Europe) Limited (the **Bookrunner**)

Lloyds Bank plc
The Royal Bank of Scotland plc
The Toronto-Dominion Bank
Wells Fargo Securities International Limited

(the **Joint Lead Managers** and, together with the **Bookrunner**, the **Managers**)
- (iii) Date of Subscription Agreement: 4th August 2016
- (iv) Stabilisation Manager(s) (if any): Credit Suisse Securities (Europe) Limited
- (v) If non-syndicated, name of relevant Dealer: Not Applicable
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA not applicable