



## Credit Suisse AG

(incorporated with limited liability in Switzerland)

### U.S.\$2,500,000,000 6.500 per cent. Tier 2 Capital Notes due 2023

Issue Price 100 per cent.

The U.S.\$2,500,000,000 6.500 per cent. Tier 2 Capital Notes due 2023 (the “Notes”) will be issued by Credit Suisse AG (the “Issuer” or “CS”) on 8 August 2013 (the “Issue Date”). Interest on the Notes will accrue at a rate of 6.500 per cent. per annum payable semi-annually in arrear. Payments on the Notes will be made without deduction for or on account of taxes of Switzerland to the extent described herein under “*Terms and Conditions of the Notes — Taxation*”.

Unless previously redeemed or purchased and cancelled, and provided that no Write-down Event (as defined herein) has occurred, the Notes will mature on 8 August 2023 at their principal amount plus accrued but unpaid interest thereon. The Notes are subject to redemption in whole, but not in part, at the option of the Issuer, upon the occurrence of a Tax Event or upon the occurrence of a Capital Event (each as defined herein), as more particularly described in “*Terms and Conditions of the Notes — Redemption, Substitution, Variation and Purchase*”. The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and shall rank at all times *pari passu* and without any preference among themselves, as more particularly described herein under “*Terms and Conditions of the Notes — Status of the Notes*” and “*Terms and Conditions of the Notes — Subordination of the Notes*”.

**If a Write-down Event (as defined herein) occurs, a Write-down (as defined herein) shall occur on the relevant Write-down Date (as defined herein), as more particularly described in “*Terms and Conditions of the Notes — Write-down*”. In such circumstances, interest on the Notes shall cease to accrue, the full principal amount of each Note will automatically and permanently be written-down to zero, holders will lose their entire investment in the Notes and, except for the payment by the Issuer to the holders of the Notes of any Accrued Interest on the Notes and any Additional Amounts relating thereto, in each case, if and only to the extent accrued and unpaid prior to the date of the relevant Write-down Notice, all rights of any holder of Notes for payment of any amounts under or in respect of the Notes will become null and void. See “*Risk Factors — The likelihood of an occurrence of a write-down of the Notes is material for the purpose of assessing an investment in the Notes.*” Each holder and beneficial owner of a Note agrees, by accepting a direct or beneficial interest in such Note, to be bound by and consents to the application of the Write-down.**

The Notes are expected to be provisionally admitted to trading on the SIX Swiss Exchange AG (“SIX Swiss Exchange”) from 7 August 2013. The last trading day will be the third dealing day prior to the date on which the Notes are fully redeemed or the Write-down Date, as applicable, in accordance with the Terms and Conditions of the Notes. Application will be made to the SIX Swiss Exchange for listing of the Notes. This Information Memorandum is an advertisement and not a prospectus for the purposes of EU Directive 2003/71/EU.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). Notes may not be offered or sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only (A) in global form in the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act (“Rule 144A”)) in reliance on Rule 144A and (B) in “offshore transactions” to non-U.S. persons (as defined in Regulation S) in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A or Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Information Memorandum, see “*Transfer Restrictions and Selling Restrictions*”.

The Notes are to be issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof and are represented by Global Certificates (as defined below), without interest coupons. The Notes which are sold in an “offshore transaction” within the meaning of Regulation S (“Regulation S Notes”) will initially be represented by a permanent registered global certificate (each a “Regulation S Global Certificate”) without interest coupons, which will be deposited with a common depository on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”). Notes which are sold in the United States to “qualified institutional buyers” (each, a “QIB”) within the meaning of Rule 144A (“Rule 144A Notes”) will initially be represented by a permanent registered global certificate (each a “Rule 144A Global Certificate” and, together with the “Regulation S Global Certificate”, the “Global Certificates”), without interest coupons, which will be deposited with a custodian (the “Custodian”) for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company (“DTC”). The provisions governing the exchange of interests in Global Certificates for other Global Certificates and definitive Certificates are described in “*Terms and Conditions of the Notes — Amount, Denomination and Interest Basis and Form*” and “*Terms and Conditions of the Notes — Transfers of Notes*”.

The Notes are expected upon issue to be rated BBB+ by Fitch Italia S.p.A. (“Fitch”) and BBB- by Standard & Poor’s Credit Market Services Europe Limited (“Standard & Poor’s”). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**An investment in Notes involves certain risks, including the risk that holders will lose their entire investment in the Notes. For a discussion of certain of the risks that potential investors should carefully consider before deciding to invest in the Notes, see “*Risk Factors*”.**

The date of this Information Memorandum is 6 August 2013.

#### **Sole Book-Running Manager**

Credit Suisse

#### **Joint Lead Managers**

Barclays  
SOCIETE GENERALE

Danske Bank

Santander  
UniCredit Bank

#### **Co-Managers**

ABN AMRO  
BMO Capital Markets  
CIBC  
Deutsche Bank Securities  
RBC Capital Markets  
TD Securities

Banca IMI  
BNY Mellon Capital Markets, LLC  
Citigroup  
Morgan Stanley  
Scotiabank  
US Bancorp

Banco Bilbao Vizcaya Argentaria, S.A.  
BofA Merrill Lynch  
COMMERZBANK  
nabSecurities, LLC  
SunTrust Robinson Humphrey  
Wells Fargo Securities

BB Securities  
Capital One Securities  
Commonwealth Bank of Australia  
Rabobank International  
Swedbank AB

## TERMS AND CONDITIONS OF THE NOTES

*The following (excluding this paragraph) is the text of the terms and conditions (the “Conditions”) that shall be applicable to the Notes. The full text of the Conditions, including the provisions of the relevant Pricing Schedule (as defined below) and, in the case of Global Certificates, the Direct Enforcement Rights Schedule (as defined below), shall be attached to the Certificates.*

### PART A

The U.S.\$2,500,000,000 6.500 per cent. Tier 2 Capital Notes due 2023 (“Notes”) are issued by Credit Suisse AG (the “Issuer” or “CS”) and are subject to these terms and conditions (the “Conditions”, which expression shall, unless the context otherwise requires, include the detailed provisions of the pricing schedule relating to the Notes as set forth in Part B of these Conditions (the “Pricing Schedule”) and, in the case of the Global Certificates, the Direct Enforcement Rights Schedule set forth in Part C of these Conditions (the “Direct Enforcement Rights Schedule”). All capitalised terms that are not defined in Part A of these Conditions will have the meanings given to them in the relevant Pricing Schedule and, in the event of any inconsistency between Part A and these Conditions and the Pricing Schedule, the Pricing Schedule shall prevail. The form of the Certificates referred to below are set out in an English law governed Agency Agreement (the “Agency Agreement”) dated the Issue Date between the Issuer, Citigroup Global Markets Deutschland AG as registrar and transfer agent, Citibank, N.A., London Branch as principal paying agent and calculation agent and the other paying agents named in it. The principal paying agent, the other paying agents, the registrar, the other transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Principal Paying Agent”, the “Paying Agents” (which expression shall include the Principal Paying Agent), the “Registrar”, the “Transfer Agents” (which expression shall include the Registrar), and the “Calculation Agent(s)”.

#### 1 Amount, Denomination and Interest Basis and Form

##### (a) *Principal Amount, Specified Denomination and Interest Basis*

The initial aggregate principal amount of the Notes is specified in the relevant Pricing Schedule. Each Note will be issued in the Specified Denomination(s) specified in the relevant Pricing Schedule. The principal amount of each Note may be written-down in the circumstances and in the manner described in Condition 7.

Each Note is a Fixed Rate Note, a Floating Rate Note or a Fixed/Floating Rate Note, depending upon the Interest Basis shown in the relevant Pricing Schedule.

##### (b) *Form*

###### (i) *Global Certificates*

The Notes are issued in registered form and are initially represented by Global Certificates (as defined below). The Notes that are initially sold in an “offshore transaction” within the meaning of Regulation S of the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), are initially represented by a permanent registered global certificate (each, a “**Regulation S Global Certificate**”), without interest coupons, deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg. The Notes that are initially sold in the United States to “qualified institutional buyers” (each, a “**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act (“**Rule 144A**”) are initially represented by a permanent registered global

certificate (each, a “**Rule 144A Global Certificate**”, and, together with the Regulation S Global Certificate(s), the “**Global Certificates**”), without interest coupons, deposited with a custodian (the “**Custodian**”) for, and registered in the name of Cede & Co. as nominee for, DTC.

So long as the Notes are represented by one or more Global Certificates, if an Event of Default has occurred and, in the case of an Event of Default of the type described in sub-paragraph (i) of Condition 12(a), is continuing, the Holder of any such Global Certificate may from time to time elect for direct enforcement rights under the provisions of the Direct Enforcement Rights Schedule, as against the Issuer, to come into effect in respect of up to all of the Notes (or, in the case of an Event of Default of the type described in sub-paragraph (i) of Condition 12(a), a principal amount of Notes up to the aggregate principal amount in respect of which such failure to pay has occurred) in favour of the persons shown in the records of DTC, Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) as the holders of interests in the Notes represented by such Global Certificate. Such election shall be made by notice to the Principal Paying Agent by the relevant Holder specifying the principal amount of the Notes represented by such Global Certificate in respect of which direct enforcement rights shall arise under the Direct Enforcement Rights Schedule (such notice, a “**Direct Rights Election Notice**”).

(ii) *Definitive Certificates*

No transfers of the Notes represented by the Global Certificates pursuant to Condition 2 shall be made unless and until definitive Notes in registered form (each, a “**Definitive Certificate**”) are printed. Definitive Certificates shall be printed, and a Global Certificate will be exchanged, in whole (in the case of (A) and (B) below) or in whole or, as appropriate, in part (in the case of (C) below), for Definitive Certificates, if:

- (A) in the case of a Rule 144A Global Certificate, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to such Rule 144A Global Certificate, or ceases to be a “clearing agency” registered under the U.S. Securities and Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”), or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (B) in the case of a Regulation S Global Certificate, Euroclear, Clearstream, Luxembourg or such other clearing system through which such Regulation S Global Certificate is cleared is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (C) the Issuer provides its consent.

If a Global Certificate is to be exchanged for Definitive Certificates pursuant to this Condition 1(b)(ii), the Issuer shall procure the prompt delivery (free of charge) of Definitive Certificates, duly executed without coupons, to each person having an interest in such Global Certificate who has provided the Registrar with (x) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver Definitive Certificates representing its ownership of the Notes, and (y) in the case of a Rule 144A Global Certificate, either (1) a fully completed, signed certification substantially to the effect that such holder is not transferring its interest at the time of such exchange or (2) in the

case of a simultaneous resale, a fully completed, signed member organisation certificate substantially in the form that may be obtained from the Registrar. Each such Definitive Certificate shall be registered in the name of the relevant person. Definitive Certificates representing the Notes issued in exchange for an interest in a Rule 144A Global Certificate shall bear a legend setting forth restrictions on transfer of the Notes offered and sold within the United States only to QIBs pursuant to Rule 144A in the form of the first paragraph of the Rule 144A Global Certificate. A copy of the form of the Rule 144A Global Certificate will be made available by the Registrar to any Holder upon request.

## 2 Transfers of Notes

### (a) General

- (i) Title to the Notes shall pass by transfer (*Zession*) and due registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer from time to time. A copy of the current regulations will be made available by the Registrar to any Holder upon request.
- (ii) Transfers of Notes and the issue of new Certificates on transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to the transfer (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (iii) No Holder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of the Notes pursuant to Condition 8, (ii) during the period from (and including) any Write-down Notice to (and including) any Write-down Date or (iii) during the period of seven days ending on (and including) any Record Date.
- (iv) Subject to the enforcement rights described in Condition 1(b)(i), no person (including any Indirect Holder) other than the Holder(s) shall have any rights, or be owed any obligations by the Issuer, under the Notes.

### (b) Transfer of Notes represented by a Global Certificate

#### (i) Regulation S Global Certificates

Transfers of the holding of Notes represented by a Regulation S Global Certificate may only be made (x) in whole, but not in part, if the Notes represented by such Regulation S Global Certificate are held on behalf of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (y) in whole or in part, with the consent of the Issuer, *provided* that, in the case of a transfer pursuant to (x) above, the Holder has given the Registrar not less than 30 days' notice at its specified office of such Holder's intention to effect such transfer. Where the holding of Notes represented by a Regulation S Global Certificate is only transferable in its entirety, the Global Certificate issued to the transferee upon transfer of such holding shall be a Regulation S Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Regulation S Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Euroclear, Clearstream, Luxembourg and/or an Alternative Clearing System.

(ii) *Rule 144 Global Certificates*

Transfers of the holding of Notes represented by a Rule 144A Global Certificate may only be made (x) in whole, but not in part, if the Notes represented by such Rule 144A Global Certificate are held on behalf of a Custodian and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to such Rule 144A Global Certificate or DTC ceases to be a clearing agency registered under the U.S. Exchange Act, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC, or (y) in whole or in part, with the consent of the Issuer, provided that, in the case of a transfer pursuant to (x) above, the Holder has given the Registrar not less than 30 days' notice at its specified office of such Holder's intention to effect such transfer. Where the holding of Notes represented by a Rule 144A Global Certificate is only transferable in its entirety, the Global Certificate issued to the transferee upon transfer of such holding shall be a Rule 144A Global Certificate bearing a legend setting forth restrictions on transfer of the Notes offered and sold within the United States only to QIBs pursuant to Rule 144A. Where transfers are permitted in part, Certificates issued to transferees shall not be Rule 144A Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a custodian for, and nominee of, DTC and/or any Alternative Clearing System.

(iii) *Exchange of interests in a Rule 144A Global Certificate for interests in a Regulation S Global Certificate*

An interest in a Rule 144A Global Certificate may only be exchanged for an interest in a Regulation S Global Certificate if the transferor provides the Transfer Agent with an executed certificate substantially in the form of a certificate available on request from the Transfer Agent, which certifies that the transfer is being conducted in compliance with Regulation S under the U.S. Securities Act.

(iv) *Exchange of interests in a Regulation S Global Certificate for interests in a Rule 144A Global Certificate*

An interest in a Regulation S Global Certificate may only be exchanged for an interest in a Rule 144A Global Certificate (A) after the 40th day after the later of the commencement of the offering of the Notes and the Issue Date, and (B) if Euroclear, Clearstream, Luxembourg or such other Alternative Clearing System through which the relevant Regulation S Global Certificate clears provides the Principal Paying Agent with an executed certificate substantially in the form of a certificate available on request from the Transfer Agent, which certifies that it reasonably believes that the transfer is being conducted in compliance with Rule 144A.

**(c) *Transfer of Notes represented by a Definitive Certificate***

(i) *Transfer*

If and when Definitive Certificates have been printed pursuant to Condition 1(b), one or more Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Definitive Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Definitive Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. A new Definitive Certificate shall be issued to the transferee in respect of the Notes the subject of the relevant

transfer and, in the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate in respect of the balance of the Notes not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a Holder, a new Definitive Certificate representing the enlarged holding may be issued but only concurrently (*Zug um Zug*) against surrender of the Definitive Certificate representing the existing holding of such person.

(ii) *Delivery of new Definitive Certificates*

Each new Definitive Certificate to be issued pursuant to Condition 2(c)(i) shall be available for delivery within three business days of receipt of the form of transfer and surrender of the relevant Definitive Certificate. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery and surrender of such form of transfer and Definitive Certificate or, as the case may be, surrender of such Definitive Certificate, shall have been made or, at the option of the relevant Holder and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Definitive Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c)(ii), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) **Rule 144A**

Each Note that is initially sold in the United States to a QIB will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be sold, pledged or otherwise transferred, except (w) in accordance with Rule 144A to a person that the Holder and any person acting on its behalf reasonably believe is a QIB that is acquiring the Notes for its own account or for the account of one or more QIBs, (x) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the U.S. Securities Act, (y) pursuant to an exemption from registration under Rule 144 under the U.S. Securities Act, if available or (z) pursuant to an effective registration statement under the U.S. Securities Act, in each case, in accordance with any applicable securities laws of any state of the United States.

So long as any Notes are outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Issuer will, during the period in which the Issuer is neither subject to Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to the Holder or beneficial owner thereof, or to any prospective purchaser thereof designated by such Holder or beneficial owner upon request of such Holder, beneficial owner or prospective purchaser the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act.

### 3 **Status of the Notes**

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated as described in Condition 4.

## 4 Subordination of the Notes

### (a) *Subordination*

In the event of an order being made, or an effective resolution being passed, for the liquidation or winding-up of the Issuer (except, in any such case, a solvent liquidation or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of the Issuer or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reorganisation, reconstruction, amalgamation or (except in the case of a substitution effected in accordance with Condition 13(c)) substitution (x) have previously been approved by a meeting of Holders in accordance with Condition 13(a) and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions), the claims of the Holders against the Issuer in respect of or arising under (including, without limitation, any damages awarded for breach of any obligation under) the Notes shall rank (i) junior to all claims of Priority Creditors, (ii) *pari passu* with Parity Obligations and (iii) senior to the rights and claims of all holders of Junior Capital.

Any claim of any Holder in respect of or arising under the Notes (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Issuer subject to enforcement by any Holder pursuant to Condition 12 or in relation to the occurrence of any other Event of Default) shall be subject to, and superseded by, Condition 7, irrespective of whether the relevant Write-down Event has occurred prior to or after the occurrence of an Event of Default or any other event.

### (b) *Definitions*

As used in these Conditions:

“**Junior Capital**” means (i) all obligations of the Issuer in respect of CS Tier 1 Instruments and (ii) all classes of paid-in capital in relation to shares (and participation certificates, if any) of the Issuer and (iii) all other obligations of the Issuer which rank, or are expressed to rank, junior to claims in respect of the Notes and/or any Parity Obligation;

“**Parity Obligations**” means (i) all obligations of the Issuer in respect of CS Tier 2 Instruments (excluding any such obligations that rank, or are expressed to rank, junior to claims in respect of the Notes) and (ii) any other obligations (including any guarantee, credit support agreement or similar undertaking) of the Issuer that rank, or are expressed to rank, *pari passu* with claims in respect of the Notes and/or any Parity Obligation; and

“**Priority Creditors**” means creditors of the Issuer whose claims are in respect of obligations (including those in respect of bonds, notes, debentures and guarantees) which are unsubordinated or which otherwise rank, or are expressed to rank, senior to claims in respect of the Notes and/or any Parity Obligation.

## 5 Set-off

Subject to applicable law, each Holder, by acceptance of a Note, agrees that it shall not, and waives its right to, exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its liquidation, dissolution or winding-up, the liquidator of the Issuer) and, until such time as payment is made, shall hold an

amount equal to such amount in trust for the Issuer (or the liquidator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

## **6 Interest Calculations**

### **(a) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its principal amount from time to time from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Fixed Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(f).

### **(b) Interest on Floating Rate Notes**

#### **(i) Interest Payment Dates**

Each Floating Rate Note bears interest on its principal amount from time to time from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Floating Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(f).

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

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

#### **(iii) Floating Rate of Interest for Floating Rate Notes**

The Floating Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined as provided herein:

(x) The Floating Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) if required pursuant to Condition 6(b)(iii)(y) below, the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time if the Reference Rate is LIBOR or Brussels time if the Reference Rate is EURIBOR) on



the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such 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 Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Pricing Schedule as being other than LIBOR or EURIBOR, the Floating Rate of Interest in respect of such Notes will be determined as provided in the relevant Pricing Schedule.

- (y) If the Relevant Screen Page is not available or if Condition 6(b)(iii)(x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Floating Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (z) If Condition 6(b)(iii)(y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Floating Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks, or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels 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, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such 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 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels 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 such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot

be determined in accordance with the foregoing provisions of this paragraph, the Floating Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

**(c) Interest on Fixed/Floating Rate Notes**

Each Fixed/Floating Rate Note bears interest on its principal amount from time to time from (and including) the Interest Commencement Date and during the Fixed Interest Rate Period at the rate per annum (expressed as a percentage) equal to the Fixed Rate of Interest, such interest being paid in arrear on each Interest Payment Date falling in the Fixed Interest Rate Period, and during the Floating Interest Rate Period at the rate per annum (expressed as a percentage) equal to the Floating Rate of Interest, such interest being paid in arrear on each Interest Payment Date falling in the Floating Rate Interest Period. The amount of interest payable shall be determined in accordance with Condition 6(f).

**(d) Accrual of Interest**

- (i) Subject to Condition 6(d)(ii), where a Note is to be redeemed pursuant to Condition 8(c), 8(d) or 8(e), interest shall accrue up to (but excluding) the due date for redemption, and shall cease to accrue on such Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the relevant Rate of Interest from time to time in the manner provided in this Condition 6 to the Due Date.
- (ii) Upon the occurrence of a Write-down Event, interest shall accrue on the principal amount of each Note up to (but excluding), and shall cease to accrue on each Note with effect from, the date of the relevant Write-down Notice.

**(e) Margin, Maximum/Minimum Rates of Interest and Rounding**

- (i) If any Margin is specified in the relevant Pricing Schedule (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 6(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Pricing Schedule, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is legal tender.

**(f) Calculations**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be calculated by reference to the Rate of Interest, the Calculation Amount specified in the relevant Pricing Schedule and the Day Count Fraction for such Interest Accrual Period, unless (as specified in the relevant Pricing Schedule) an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

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

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation under the Conditions, calculate such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Issuer, each of the Paying Agents, the Holders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If there is a default in payment in respect of the Notes as provided in Condition 12(a), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(h) No Deferral**

Without prejudice to Condition 7, the Issuer shall not be entitled to defer or cancel any payments of interest or any other amounts payable in respect of the Notes.

**(i) Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of a currency and/or one or more Financial Centres specified in the relevant Pricing Schedule a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in such Financial Centre(s) or, if no currency is indicated, generally in each of such Financial Centres.

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

- (i) if “**Actual/Actual**” or “**Actual/Actual—ISDA**” is specified in the relevant Pricing Schedule, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the relevant Pricing Schedule, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the relevant Pricing Schedule, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**Actual/Actual-ICMA**” is specified in the relevant Pricing Schedule:
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Date**” means the date(s) specified as such in the relevant Pricing Schedule or, if none is so specified, the Interest Payment Date(s); and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Pricing Schedule, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Fixed Interest Rate Period**” means the period specified as such in the relevant Pricing Schedule.

“**Fixed Rate of Interest**” means the rate of interest payable from time to time in respect of a Fixed Rate Note or during the Fixed Interest Rate Period in respect of a Fixed/Floating Rate Note and that is either specified in the relevant Pricing Schedule or calculated in accordance with the provisions in the relevant Pricing Schedule.

“**Floating Interest Rate Period**” means the period specified as such in the relevant Pricing Schedule.

“**Floating Rate of Interest**” means the rate of interest payable from time to time in respect of a Floating Rate Note or during the Floating Interest Rate Period in respect of a Fixed/Floating Rate Note and that is either specified in the relevant Pricing Schedule or calculated in accordance with the provisions in the relevant Pricing Schedule.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Pricing Schedule, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Pricing Schedule as being payable on the Interest

Payment Date ending in the Interest Period of which such Interest Accrual Period forms part;  
and

- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date specified in the relevant Pricing Schedule or such other date as may be specified in the relevant Pricing Schedule.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Schedule or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“**Interest Payment Date**” means, in respect of the Notes, the date or dates specified as such, or determined as provided, in the relevant Pricing Schedule.

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

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Pricing Schedule.

“**Rate of Interest**” means the Fixed Rate of Interest and/or Floating Rate of Interest, as the case may be.

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Pricing Schedule.

“**Reference Rate**” means the rate specified as such in the relevant Pricing Schedule.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Pricing Schedule.

“**Specified Currency**” means the currency in which the Notes are denominated.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

**(j) Calculation Agent**

The Issuer shall ensure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Pricing Schedule and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, as the case may be, or to comply with any other requirement, the Issuer

shall appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 7 Write-down

### (a) *Write-down upon a Write-down Event*

#### (i) *Write-down Event*

If a Contingency Event or a Viability Event (any such event, a “**Write-down Event**”) occurs at any time while the Notes are outstanding and prior to a Statutory Loss Absorption Date (if any), a Write-down shall, subject to and as provided in this Condition 7, occur on the relevant Write-down Date.

#### (ii) *Contingency Event*

As used in these conditions, a “**Contingency Event**” means the giving of a Contingency Event Notice by the Issuer or CSG in accordance with this Condition 7(a)(ii).

The Issuer or CSG shall give a notice (the “**Contingency Event Notice**”) to the Holders in accordance with Condition 17 in the event that as at any Reporting Date, the sum of (x) the CET1 Ratio contained in the relevant Financial Report and (y) the Higher Trigger Capital Ratio is below the Threshold Ratio; *provided, however*, that no Contingency Event Notice shall be given, and no Contingency Event in relation thereto shall be deemed to have occurred, if the Regulator, at the request of CSG, has agreed on or prior to the publication of the relevant Financial Report that a Write-down shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the CET1 Ratio to a level above the Threshold Ratio that the Regulator and CSG deem, in their absolute discretion, to be adequate at such time.

Any Contingency Event Notice shall:

- (A) state that, with the giving of such notice, a Contingency Event has occurred and a Write-down will take place;
- (B) specify the relevant Write-down Date; and
- (C) be given on the date that is the later of (x) five Business Days after the date of publication of the relevant Financial Report and (y) the latest effective date on which all Higher Trigger Capital Instruments that were outstanding on the relevant Reporting Date, if any, are irrevocably assured to be converted into equity and/or written-down/off (or otherwise operated on to increase the CET1 Amount), whether through an irrevocable notice being given to the holders thereof or otherwise.

#### (iii) *Viability Event*

As used in these conditions, a “**Viability Event**” means that either:

- (A) the Regulator has notified CSG that it has determined that a write-down of the Notes, together with the conversion or write down/off of holders’ claims in respect of any and all other Progressive Component Capital Instruments, Buffer Capital Instruments, Tier 1

Instruments and Tier 2 Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written down/off at that time (if any) is, because customary measures to improve CSG's capital adequacy are at the time inadequate or unfeasible, an essential requirement to prevent CSG from becoming insolvent, bankrupt or unable to pay a material part of its debts as they fall due, or from ceasing to carry on its business; or

- (B) customary measures to improve CSG's capital adequacy being at the time inadequate or unfeasible, CSG has received an irrevocable commitment of extraordinary support from the Public Sector (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving CSG's capital adequacy and without which, in the determination of the Regulator, CSG would have become insolvent, bankrupt, unable to pay a material part of its debts as they fall due or unable to carry on its business.

The Issuer or CSG shall give a notice (the "**Viability Event Notice**") to the Holders in accordance with Condition 17 following the occurrence of a Viability Event, which notice shall (x) state that a Viability Event has occurred and a Write-down shall take place, (y) specify the relevant Write-down Date and (z) be given no later than three Business Days after the occurrence of the relevant Viability Event.

**(b) Write-down**

Following the occurrence of a Write-down Event, on the relevant Write-down Date,

- (i) the full principal amount of each Note will be written down to zero and all references to the principal amount of the Notes in these Conditions shall be construed accordingly;
- (ii) the Holders will be deemed to have irrevocably waived their rights to, and will no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Notes, and the Holders will be deemed to have agreed to the foregoing (*bedingte Aufhebung einer Forderung durch Übereinkunft*);
- (iii) the Issuer will pay to Holders any Accrued Interest on the Notes and any unpaid Additional Amounts relating thereto, in each case, if and only to the extent accrued prior to the date of the relevant Write-down Notice; and
- (iv) except as described in sub-clause (iii) above, all rights of any Holder for payment of any amounts under or in respect of the Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) will become null and void, irrespective of whether such amounts have become due and payable or such claims have arisen prior to the occurrence of the Write-down Event, the date of the Write-down Notice or the Write-down Date.

Upon payment of the amounts, if any, described in sub-clause (iii) above against presentation of the Certificate representing the relevant Note(s), such Certificate and Notes shall forthwith be permanently cancelled.

**(c) Alternative loss absorption**

In the event of the implementation of any new, or amendment to or change in the interpretation of any existing, laws or components of National Regulations, in each case occurring after the Issue Date, that alone or together with any other law(s) or regulation(s) has, in the joint determination of CSG, the



Issuer and the Regulator, the effect that Conditions 7(a) and (b) above could cease to apply to the Notes without giving rise to a Capital Event by reason of limb (a) of the definition thereof, then the Issuer shall give notice to the Holders no later than five Business Days after such joint determination stating that such provisions shall cease to apply from the date of such notice (the “**Statutory Loss Absorption Date**”), and from the date of such notice, such provisions shall cease to apply to the Notes.

## **8 Redemption, Substitution, Variation and Purchase**

### **(a) Final Maturity Date**

Unless previously redeemed or purchased and cancelled as provided in these Conditions and subject to Condition 8(f), each Note will be redeemed at its principal amount on the Final Maturity Date.

### **(b) Conditions to Redemption, Substitution, Variation and Purchase**

Any redemption, substitution, variation or purchase of the Notes in accordance with Condition 8(c), (d), (e), (g) or (h) is subject to the Issuer receiving the prior approval of the Regulator, if then required.

Prior to the publication of any notice of redemption pursuant to Conditions 8(d) or 8(e) or notice of substitution or variation pursuant to Condition 8(h), the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as the case may be, vary is satisfied and the reasons therefor and such certificate shall be conclusive and binding on the Holders. Prior to the publication of any notice of redemption pursuant to Condition 8(d), the Issuer shall deliver an opinion of independent legal advisers of recognised standing to the Principal Paying Agent to the effect that circumstances entitling the Issuer to exercise its rights of redemption under Condition 8(d) have arisen.

### **(c) Optional Redemption**

If Optional Redemption is specified in the Pricing Schedule as being applicable, then, subject to Conditions 8(b) and 8(f), the Issuer may elect by giving not less than 30 nor more than 60 days’ notice to the Principal Paying Agent, the Registrar, the Transfer Agent and, in accordance with Condition 17, the Holders (which notice shall, subject to Conditions 8(b) and 8(f), be irrevocable) to redeem in accordance with these Conditions all, but not some only, of the Notes on the First Optional Redemption Date or any other date specified for this purpose in the Pricing Schedule at their principal amount, together with any accrued but unpaid interest to (but excluding) the relevant redemption date. Upon the expiry of such notice, the Issuer shall, subject to Conditions 8(b) and 8(f), redeem the relevant Notes as aforesaid.

### **(d) Redemption due to Taxation**

If, prior to the giving of the notice referred to below, a Tax Event has occurred and is continuing, then the Issuer may, subject to Conditions 8(b) and 8(f) and having given not less than 30 days’ notice to the Principal Paying Agent, the Registrar, the Transfer Agent and, in accordance with Condition 17, the Holders (which notice shall, subject to Conditions 8(b) and 8(f), be irrevocable), redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any accrued but unpaid interest to (but excluding) the relevant redemption date. Upon the expiry of such notice, the Issuer shall, subject to Conditions 8(b) and 8(f), redeem the Notes as aforesaid.

**(e) *Redemption for Capital Event***

If, prior to the giving of the notice referred to below, a Capital Event has occurred and is continuing, then the Issuer may, subject to Conditions 8(b) and 8(f) and having given not less than 30 days' notice to the Holders in accordance with Condition 17, the Principal Paying Agent, the Registrar and the Transfer Agent (which notice shall, subject to Conditions 8(b) and 8(f), be irrevocable), redeem in accordance with these Conditions at any time specified for the purpose in the Pricing Schedule all, but not some only, of the Notes at their principal amount (in relation to a redemption following the occurrence of the event described in paragraph (a) of the definition of Capital Event) or at their Capital Event (b) Redemption Amount (in relation to a redemption following the occurrence of the event described in paragraph (b) of the definition of Capital Event), in either case together with any accrued but unpaid interest to (but excluding) the relevant redemption date. Upon the expiry of such notice, the Issuer shall, subject to Conditions 8(b) and 8(f), redeem the Notes as aforesaid.

**(f) *No redemption following a Write-down Event***

Notwithstanding the other provisions of this Condition 8, the Issuer may not give a notice of redemption of the Notes or redeem the Notes pursuant to this Condition 8 if a Write-down Event shall have occurred prior to the date of such notice or the relevant redemption date, as the case may be.

**(g) *Purchases***

CSG (or the Issuer or any other Subsidiary of CSG) may, subject to Condition 8(b), at any time purchase or procure others to purchase beneficially for its account Notes in any manner and at any price.

**(h) *Substitution or Variation upon a Capital Event or a Tax Event***

If a Capital Event or a Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 8(b) and having given not less than 30 days' notice to the Holders in accordance with Condition 17 (which notice shall be irrevocable), without any requirement for the consent or approval of the Holders unless so required by the mandatory provisions of Swiss law, either substitute all, but not some only, of the Notes for, or vary the terms of the Notes in such manner that they remain or, as appropriate, become, Compliant Securities (and provided such Tax Event or, as the case may be, Capital Event, no longer continues following, and no other Tax Event or Capital Event arises as a result of, such substitution or variation). Upon the expiry of the notice required by Condition 8(b), the Issuer shall, subject as provided below, either vary the terms of, or substitute, the Notes, as the case may be, in accordance with this Condition 8(h).

Notwithstanding the other provisions of this Condition 8(h), the Issuer may not give a notice of substitution or variation of the Notes or substitute or vary the Notes pursuant to this Condition 8(h) if a Write-down Event shall have occurred prior to the date of such notice or the relevant date set for such substitution or variation, as the case may be.

In connection with any substitution or variation in accordance with this Condition 8(h), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

**(i) *Cancellation***

All Notes redeemed by the Issuer pursuant to this Condition 8 will forthwith be cancelled. All Notes purchased by or on behalf of the Issuer or any Subsidiary of CSG may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, surrendered for cancellation to the Principal Paying

Agent. Notes so surrendered shall be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged upon such cancellation of such Notes.

## 9 Payments

### (a) Notes

- (i) All payments required to be made to Holders in respect of the Notes shall be made available in good time in freely disposable U.S. dollars and be placed at the free disposal of the Principal Paying Agent on behalf of the Holders. All payments required to be made to Holders in respect of the Notes (including any Additional Amounts) shall be made to the Holders in U.S. dollars without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Holder and without certification, affidavit or the fulfilment of any other formality, save in respect of taxation to the extent provided in these Conditions. In the case of Definitive Certificates, such payments shall only be made upon the presentation of such Definitive Certificate(s), or surrender of such Definitive Certificate(s) in the case of redemption or payment of any Accrued Interest and Additional Amounts in connection with a Write-down, at (i) the specified office of the relevant Paying Agent or (ii) the specified office(s) of any other agent(s) appointed for this purpose by the Principal Paying Agent and notified to the Holders pursuant to Condition 17, as a condition to receipt of any such payment.
- (ii) Payments of interest to be made to Holders in respect of Notes due on an Interest Payment Date shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”).

### (b) Payments subject to Fiscal Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 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 described in any agreement between any Tax Jurisdiction and the United States relating to the foreign account provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any agreement, law, regulation, or other official guidance implementing an intergovernmental approach thereto (collectively, “**FATCA**”).

### (c) Appointment of Agents

The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, Calculation Agents, Registrars or Transfer Agents, provided that there shall at all times be (i) a Principal Paying Agent, (ii) a Registrar in relation to Notes, (iii) a Transfer Agent in relation to Notes, (iv) one or more Calculation Agent(s) where these Conditions so require, (v) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC of 3 June 2003 or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 (the “**EU**”).

**Savings Tax Directive**”), (vi) for so long as any Notes are listed on the SIX Swiss Exchange, a Paying Agent having (a) an office in Switzerland and (b) a banking licence or securities dealer licence or being (x) otherwise subject to supervision by the FINMA or (y) the Swiss national bank, to perform the functions assigned to the Swiss Paying Agent in the Agency Agreement and (vii) such other agents as may be required by any stock exchange on which the Notes may at any time be listed (if any).

In addition, the Issuer shall in the event that it would be obliged to pay Additional Amounts on or in respect of any Note pursuant to Condition 10 by virtue of such Note being presented for payment in Switzerland, appoint, and at all times thereafter maintain, a Paying Agent in a jurisdiction within Europe (other than Switzerland) and which otherwise complies with the foregoing provisions of this Condition 9(c).

Notice of any such change or any change of any specified office shall promptly be given to the Holders in accordance with Condition 17.

**(d) Non-Business Days**

If any date for payment in respect of any Note is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (where presentation and surrender is required pursuant to these Conditions), in such jurisdictions (if any) as shall be specified as “**Financial Centres**” in the relevant Pricing Schedule and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 10 Taxation

All payments of principal, premium (if any) and/or interest to Holders by or on behalf of the Issuer in respect of the Notes shall be made without withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, unless compensated according to the indemnity in Condition 14, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as will result (after such withholding or deduction) in receipt by the Holders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Notes; except that no such Additional Amounts shall be payable with respect to any Note on account of:

- (a) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note by reason of the Holder 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 Due Date except to the extent that the Holder 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 business day (as defined in Condition 9(d)); 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 the EU Savings Tax Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (including, but not limited to, the Agreement between the European Community and the Confederation of Switzerland dated 26 October 2004); or
- (d) any such taxes, duties, assessments or other governmental charges imposed on a payment in respect of the Notes 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 released by the Swiss Federal Council on 24 August 2011 altering the Swiss federal withholding tax system, in particular the principle to have a person other than the Issuer withhold or deduct tax, such as, without limitation, any Paying Agent; or
- (e) any such taxes, duties, assessments or other governmental charges imposed in respect of such Note presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or
- (f) any withholding or deduction that is required to be made pursuant to any agreement between Switzerland and other countries on final withholding taxes (*internationale Quellensteuern*) levied by a paying agent in Switzerland in respect of an individual resident in the other country on interest or capital gain paid, or credited to an account, relating to a Note; or
- (g) where such withholding or deduction is imposed on any payment by reason of FATCA; or
- (h) any combination of two or more of the items set out at (a) to (g) above.

## 11 Prescription

Claims against the Issuer for payment in respect of the Notes shall become time-barred after a period of 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Due Date in respect of them.

## 12 Events of Default

### (a) *Events of Default*

An event of default (“**Event of Default**”) will occur in the following circumstances:

- (i) the Issuer fails to make any payment of principal in respect of the Notes for a period of 10 days or more after the date such payment is due, or the Issuer fails to make any payment of interest in respect of the Notes for a period of 30 days or more after the date on which such payment is due;
- (ii) an involuntary case or other proceeding shall be commenced against the Issuer, with respect to the Issuer or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Issuer or for any substantial part of the property and assets of the Issuer, and such involuntary case or other proceedings shall remain undismitted and unstayed for a period of 60 days, except that the issuance of a writ of payment (*Zahlungsbefehl*) under the Swiss debt enforcement and bankruptcy laws shall not constitute such involuntary case or proceeding for

the purpose of this Condition 12(a); or an order for relief shall be entered against the Issuer for the purpose of this Condition 12(a); or an order for relief shall be entered against the Issuer under any bankruptcy, insolvency or other similar law now or hereafter in effect; or

- (iii) the Issuer (i) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Issuer for all or substantially all of the property and assets of the Issuer, or (iii) effects any general assignment for the benefit of creditors.

Upon the occurrence of an Event of Default and subject to Condition 7, the payment obligations under the Notes (being, in the case of an Event of Default referred to in Condition 12(a)(i) relating to any failure of the Issuer to meet any payment obligation under the Notes, such payment obligation (and such payment obligation only) and, in the case of an Event of Default referred to in Condition 12(a)(ii) or (iii), as described below) shall be deemed due and payable (*fällige*) payment obligations of the Issuer, and if such payment has not been made within the statutory period after the Holder has formally requested payment and a writ of payment (*Zahlungsbefehl*) has been issued as provided by the Swiss insolvency laws, such Holder may institute proceedings against the Issuer in Switzerland (but not elsewhere) to enforce its rights under Swiss insolvency laws.

Upon the occurrence of an Event of Default referred to in Condition 12(a)(ii) or (iii), Holders will have a claim on a subordinated basis as described in Condition 4 for an amount equal to the principal amount of their Notes together with any accrued but unpaid interest thereon and the Issuer shall not (i) after having received the writ of payment (*Zahlungsbefehl*), argue or plead that the payment obligations are not due and payable by the Issuer and (ii) prior to the declaration of bankruptcy (or similar proceeding under Swiss insolvency laws), make any payment to the Holder.

**(b) *Extent of Holder's remedy***

No remedy against the Issuer other than as referred to in this Condition 12, shall be available to the Holders for the recovery of amounts owing in respect of the Notes.

### **13 Meetings of Holders, Modification and Substitution**

**(a) *Meetings of Holders***

The provisions on bondholder meetings contained in Article 1157 et seq. of the Swiss Federal Code of Obligations shall apply in relation to meetings of Holders.

So long as the Notes are represented by one or more Global Certificates deposited with a custodian on behalf of DTC and/or with a common depository for Euroclear and Clearstream, Luxembourg, although the Holders are the only persons entitled to participate in, and vote at, any meeting of the Holders, the Holder of each Global Certificate shall (i) obtain instructions from the relevant Indirect Holders in respect of any meeting of Holders, (ii) vote at such meeting of Holders in respect of each Note represented by such Global Certificate in accordance with the instructions received from the relevant Indirect Holder and (iii) abstain from representing any Note at a meeting of Holders for which it has not received an instruction from the relevant Indirect Holder. Only the Notes for which the Holder received an instruction by the relevant Indirect Holder to take part at a meeting of Holders shall be deemed to be present or represented at such meeting.

**(b) Modifications**

Notwithstanding Condition 13(a), the Issuer may, subject to mandatory provisions of Swiss law, without the consent or approval of the Holders, make such amendments to the terms of the Notes and the Agency Agreement as it considers necessary or desirable to give effect to the provisions of Condition 7(c), Condition 8(h) and Conditions 13(c) and (d) and such other changes 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 Holders.

**(c) Issuer Substitution**

The Issuer may, without the consent of the Holders, substitute any Subsidiary of CS (whether or not such entity is organised under the laws of Switzerland) (such substitute entity, the “**Substitute Issuer**”) for itself as principal debtor under the Notes upon giving no more than 30 and no less than 10 days’ notice to the Holders in accordance with Condition 17, *provided that*:

- (i) at least 95 per cent. of the Substitute Issuer’s capital and voting rights are held, directly or indirectly, by CSG;
- (ii) the Issuer is not in default in respect of any amount payable under the Notes at the time of such substitution;
- (iii) the Issuer and the Substitute Issuer enter into such documents (the “**Substitution Documents**”) as are necessary to give effect to such substitution and pursuant to which the Substitute Issuer undertakes in favour of each Holder to be bound by these Conditions as the principal debtor (on a subordinated basis corresponding to Condition 4) 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 Substitute Issuer have been taken, fulfilled and done and are in full force and effect;
- (iv) if the Substitute Issuer’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 Substitute Issuer and/or such other provisions as may be necessary to ensure that each Holder has the benefit of an undertaking in terms corresponding to the provisions of Condition 10 in relation to the payment of all amounts due and payable under, or in respect of, the Notes and in relation to the guarantee referred to in (vi) below, with, in the case of the Notes but not such guarantee, the substitution of references to the Former Residence with references to the New Residence, and an undertaking by the Substitute Issuer to indemnify each Holder 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 Substitute Issuer’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;
- (v) the Issuer and the Substitute Issuer have obtained all necessary governmental and other approvals and consents for such substitution and for the performance by the Substitute Issuer of its obligations under the Substitution Documents;
- (vi) CS irrevocably and unconditionally guarantees to the Holders, on a subordinated basis corresponding *mutatis mutandis* to Conditions 4 and 5, the due and punctual payment of all

amounts due and payable by the Substitute Issuer under, or in respect of, the Notes pursuant to article 111 of the Swiss Federal Code of Obligations and on terms whereby Conditions 12 and 13 and, as applicable, the Direct Enforcement Rights Schedule shall apply to CS and to its obligations under the guarantee with any necessary consequential amendments;

- (vii) if the Substitute Issuer is not organised under the laws of Switzerland, the Substitute Issuer has appointed a process agent as its agent in Switzerland to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes;
- (viii) if the Substitute Issuer is not organised under the laws of England, the Substitute Issuer has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Agency Agreement;
- (ix) legal opinions addressed to the Holders shall have been delivered to them (care of the Principal Paying Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (iv) above and in Switzerland and England as to the fulfilment of the preceding conditions of this Condition 13(c); and
- (x) such substitution does not give rise to a Tax Event or a Capital Event.

Upon any substitution pursuant to this Condition 13(c), the Substitute Issuer 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 Substitute Issuer had been named as Issuer in these Conditions, and the Issuer shall be released from its obligations under the Notes.

**(d) Issuing Branch Substitution**

Prior to any substitution under Condition 13(c), CS may, without the consent of the Holders, upon giving no more than 30 and no less than 10 days' notice to the Holders in accordance with Condition 17, at any time after the Issue Date (i) cease to make payments of principal, interest and any other amounts due under the Notes and fulfil any of its other obligations and exercise any of its other rights and power in respect of, or arising under, the Notes through its Zurich head office and (ii) commence making such payments, fulfilling such other obligations and exercising such powers and rights through one of its branches (whether or not in Switzerland) ("**Issuing Branch Substitution**"), *provided* that (A) the Issuer is not in default of any amount payable under the Notes, (B) the Issuer would not be required to pay any Additional Amounts under these Conditions after giving effect to such Issuing Branch Substitution that it would not have been required to pay if such Issuing Branch Substitution were not to occur and (iii) the Regulator has approved such Issuing Branch substitution in writing.

Upon an Issuing Branch Substitution taking place pursuant to this Condition 13(d), references to the "Issuer" in these Conditions, the Certificates and the Agency Agreement shall be construed as references to the Issuer acting through such branch, and references to "Tax Jurisdiction" in these Conditions shall, unless the context otherwise requires, be construed as references to both Switzerland and the jurisdiction in which the relevant branch is domiciled.

## 14 Currency Indemnity

Any amount received or recovered in a currency other than the Specified Currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent



of the amount in the Specified Currency of payment under the relevant Note that 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 the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 14, it shall be sufficient for the Holder to demonstrate that it would have suffered a loss had an actual purchase been made. This indemnity constitutes a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder 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 judgment or order.

## **15 Replacement of Certificates**

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

## **16 Further Issues**

The Issuer may, from time to time, without the consent of the Holders, create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 16 and forming a single series with the Notes.

## **17 Notices**

So long as the Notes are listed on the SIX Swiss Exchange, notices to Holders shall be given by the Listing Agent (a) by means of electronic publication on the internet website of the SIX Swiss Exchange ([www.six-swiss-exchange.com](http://www.six-swiss-exchange.com)), where notices are currently published under the address [www.six-swiss-exchange.com/news/official\\_notices/search\\_en.html](http://www.six-swiss-exchange.com/news/official_notices/search_en.html) or (b) otherwise in accordance with the regulations of the SIX Swiss Exchange.

If the Notes are for any reason no longer listed on the SIX Swiss Exchange, notices to Holders shall be valid if published (a) in a leading daily newspaper published in Switzerland (which is expected to be the *Neue Zuercher Zeitung*) and (b) on the website of CSG. Any such notice shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication.

While the Notes are represented by one or more Global Certificates deposited with a custodian on behalf of DTC and/or with a common depository for Euroclear and Clearstream, Luxembourg, notices to Indirect

Holders shall also be given through the Principal Paying Agent to DTC, Euroclear and Clearstream, Luxembourg for forwarding to the holders of the Notes. Any such notice shall be deemed to be validly given on the date of delivery to DTC, Euroclear or Clearstream, Luxembourg, as applicable.

## 18 Definitions

The following capitalised terms shall have the following meanings:

“**Accrued Interest**” means, in the case of a Write-down Event, interest accrued but unpaid on the Notes, if any, from (and including) the Interest Payment Date immediately preceding the date of the relevant Write-down Notice (or, if none, from the Issue Date) to (but excluding) the date of such Write-down Notice;

“**Additional Amounts**” has the meaning ascribed thereto in Condition 10;

“**Additional Tier 1 Capital**” means, at any time, any or all items constituting additional tier 1 capital within the meaning of the Basel III Document, as implemented and amended pursuant to BIS Regulations applicable at such time;

“**Alternative Clearing System**” has the meaning ascribed thereto in Condition 1(b)(i);

“**Auditor**” means the accounting firm appointed by the Board of Directors or shareholders of CSG, as the case may be, to provide, inter alia, audit and review opinions on CSG’s financial statements;

“**Authorised Signatories**” means any two authorised officers of the Issuer signing jointly;

“**Basel III Document**” means the Basel Committee on Banking Supervision documents “Basel III: A global regulatory framework for more resilient banks and banking systems” published in December 2010, as revised in June 2011;

“**BIS Regulations**” means the capital adequacy standards and guidelines applicable from time to time and promulgated by the Basel Committee on Banking Supervision, as implemented by CSG in a manner agreed with the Regulator and/or its Auditor for the purpose of financial reporting and disclosure, *inter alia*, in the Quarterly Financial Report;

“**Buffer Capital**” means, at any time, any or all items that, pursuant to National Regulations at such time, are eligible to be treated as buffer capital (*Eigenmittelpuffer*) under the Capital Adequacy Ordinance;

“**Buffer Capital Instruments**” means, at any time, any or all securities and other instruments issued by CSG or any other member of the Group, as the case may be, that are, at such time, eligible to be treated as Buffer Capital, other than Common Equity Tier 1 Capital;

“**Business Day**” has the meaning ascribed thereto in Condition 6(i);

“**Capital Adequacy Ordinance**” means the Ordinance concerning Capital Adequacy and Risk Diversification for Banks and Securities Dealers (Capital Adequacy Ordinance), which entered into force on 1 January 2013, as may be amended from time to time;

a “**Capital Event**” is deemed to have occurred if:

- (a) a change in National Regulations and/or BIS Regulations occurs on or after the Issue Date having the effect that the Notes cease to be eligible in their entirety to be treated as both (i) Tier 2 Capital under BIS Regulations and (ii) Progressive Component Capital under National Regulations (whether due to the elimination of Progressive Component Capital or otherwise); or
- (b) a change in National Regulations occurs on or after the Issue Date that does not result in a Capital Event under paragraph (a) above, but has the effect that the Minimum Progressive Component Capital

Amount is reduced or eliminated, and the Progressive Component Capital Amount as at any Reporting Date falling during the period of 180 days following such change taking effect, less any amount that is included therein as a result of the allocation by CSG of Common Equity Tier 1 Capital to Progressive Component Capital pursuant to and in accordance with the Capital Adequacy Ordinance, exceeds the Minimum Progressive Component Capital Amount;

“**Certificate**” means a Global Certificate or a Definitive Certificate, as the case may be;

“**CET1 Amount**” means, at any time, as calculated by CSG in respect of the Group and expressed in CSG’s reporting currency, the sum of all amounts (whether positive or negative) of Common Equity Tier 1 Capital of the Group as at such time (for the avoidance of doubt, net of any amounts of Common Equity Tier 1 Capital that have been allocated by CSG to Progressive Component Capital pursuant to and in accordance with the Capital Adequacy Ordinance at such time);

“**CET1 Ratio**” means the ratio (expressed as a percentage) of CET1 Amount divided by the RWA Amount as at the relevant Reporting Date, in each case calculated by CSG and appearing in the relevant Financial Report as “BIS Common Equity Tier 1 Ratio”, “BIS CET1 Ratio” or any such other term having the same meaning;

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*;

“**Common Equity Tier 1 Capital**” means all items that constitute common equity tier 1 capital, or deductions from common equity tier 1 capital, in each case within the meaning of these terms in the Basel III Document as amended by, and as determined by CSG pursuant to, BIS Regulations applicable at the relevant time;

“**Compliant Securities**” means securities issued directly by CS or by a Subsidiary of CSG and guaranteed by CS that:

- (a) have economic terms not materially less favourable to a Holder than these Conditions (as reasonably determined by the Issuer, and provided that a certification to such effect of the Authorised Signatories shall have been delivered to the Principal Paying Agent prior to the issue of the relevant securities), provided that such securities (i) include terms which provide for the same Interest Rate and principal from time to time applying to the Notes; (ii) rank *pari passu* with the Notes; and (iii) preserve any existing rights under these Conditions to any accrued but unpaid interest which has not been satisfied; and
- (b) where the Notes which have been substituted or varied were listed immediately prior to their substitution or variation, the relevant securities are listed on (i) the SIX Swiss Exchange or (ii) such other internationally recognised stock exchange as selected by the Issuer; and
- (c) where the Notes which have been substituted or varied were rated by a Rating Agency immediately prior to their substitution or variation, each such Rating Agency has ascribed, or announced its intention to ascribe and publish, an equal or higher rating to the relevant securities;

“**Contingency Event**” has the meaning ascribed thereto in Condition 7(a)(ii);

“**Contingency Event Notice**” has the meaning ascribed thereto in Condition 7(a)(ii);

“**CS Tier 1 Instruments**” means any and all shares, securities, participation securities or other obligations issued (a) by the Issuer (whether or not acting through a branch) but excluding Tier 1 Shares or (b) by a Subsidiary of the Issuer and having the benefit of a guarantee, credit support agreement or similar undertaking of the Issuer, each of which shares, securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 1 Capital of CS and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

“**CS Tier 2 Instruments**” means any and all securities or other obligations issued (a) by the Issuer (whether or not acting through a branch) or (b) by a Subsidiary of the Issuer and having the benefit of a guarantee, credit support agreement or similar undertaking of the Issuer, each of which securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 2 Capital of CS and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

“**CSG**” means Credit Suisse Group AG;

“**Custodian**” has the meaning ascribed thereto in Condition 1(b)(i);

“**Definitive Certificate**” has the meaning ascribed thereto in Condition 1(b)(ii);

“**Direct Rights Election Notice**” has the meaning ascribed thereto in Condition 1(b)(i);

“**DTC**” means The Depository Trust Company;

“**Due Date**” in respect of any payment on any Note, means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount required to be paid is made or, in the case where presentation is required pursuant to these Conditions, (if earlier) the date seven days after that on which notice is duly given to the Holders that, upon further presentation of the Certificate being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation;

“**EU Savings Tax Directive**” has the meaning ascribed thereto in Condition 9(c);

“**Euroclear**” means Euroclear Bank S.A./N.V.;

“**Event of Default**” has the meaning ascribed thereto in Condition 12(a);

“**FINMA**” means the Swiss Financial Market Supervisory Authority FINMA;

“**Financial Report**” means a Quarterly Financial Report or an Interim Capital Report, as the case may be;

“**Global Certificates**” has the meaning ascribed thereto in Condition 1(b)(i);

“**Group**” means CSG together with, from time to time, its consolidated subsidiaries and any and all other entities included in its consolidated capital adequacy reports prepared pursuant to National Regulations or, as appropriate, BIS Regulations to which it is subject at such time;

“**Higher Trigger Capital Amount**” means, at any time, the aggregate principal amount of all Higher Trigger Capital Instruments (if any), as calculated by CSG in respect of the Group and expressed in CSG’s reporting currency;

“**Higher Trigger Capital Instruments**” means, at any time, all securities and instruments (including Buffer Capital Instruments), if any, issued by CSG or any other member of the Group, as the case may be, to holders that are not members of the Group, that pursuant to their terms or by operation of law are capable of being converted into equity and/or written-down/off, or otherwise operating to increase the CET1 Amount, as a consequence of the CET1 Ratio being below a level that is higher than the Threshold Ratio;

“**Higher Trigger Capital Ratio**” means, as at a Reporting Date, the ratio (expressed as a percentage) of the Higher Trigger Capital Amount divided by the RWA Amount, in each case as at such Reporting Date, as calculated by CSG;

“**Holder**” means, with respect to any Note, (a) so long as such Note is represented by a Global Certificate, the person in whose name such Global Certificate is registered in the Register, and (b) if such Note is represented

by a Definitive Certificate, the person in whose name such Definitive Certificate is registered in the Register. No other person, including any Indirect Holder, shall be a Holder for the purpose of these Conditions or (except as otherwise provided herein) have any rights, or be owed any obligations by the Issuer, under the Notes;

“**Indirect Holder**” means, with respect to any Note represented by a Global Certificate, any person (other than the Holder) that owns a beneficial interest in such Note through a bank, broker or other financial institution that (a) participates in the book-entry system of DTC, Euroclear, Clearstream, Luxembourg and/or any Alternative Clearing System or (b) holds an interest in such Note through a participant in the book-entry system of DTC, Euroclear, Clearstream, Luxembourg and/or any Alternative Clearing System. Subject to the enforcement rights described in Condition 1(b)(i), no Indirect Holder shall have any rights, or be owed any obligations, under the Notes;

“**Interest Payment Date**” has the meaning ascribed thereto in Condition 6(i);

“**Interim Capital Report**” means a report based on the financial accounts of CSG and the Group containing, *inter alia*, the CET1 Ratio prepared by CSG upon request of the Regulator in respect of the Notes and with respect to which the Auditor has performed procedures in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements;

“**Interim Report Date**” means the date as at which the CET1 Ratio set out in an Interim Capital Report has been prepared;

“**Minimum Progressive Component Capital Amount**” means, at any time, as calculated by CSG and expressed in CSG’s reporting currency, the minimum aggregate amount of Progressive Component Capital of the Group required pursuant to National Regulations at such time;

“**National Regulations**” means the prevailing national banking and capital adequacy laws directly applicable to CSG and prevailing capital adequacy regulations promulgated by the Regulator and applicable to CSG;

a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity);

“**Progressive Component Capital**” means, at any time, any or all items that are eligible at such time to be treated as progressive component capital (*progressive Komponente*) pursuant to the Capital Adequacy Ordinance;

“**Progressive Component Capital Amount**” means, at any time, as calculated by CSG and expressed in CSG’s reporting currency, the sum of all amounts of Progressive Component Capital of the Group at such time;

“**Progressive Component Capital Instruments**” means, at any time, any or all securities or other instruments issued by CSG or any other member of the Group, as the case may be, that are, at such time, eligible to be treated as Progressive Component Capital;

“**Public Sector**” means the federal or central government or central bank in CSG’s country of incorporation;

“**QIB**” has the meaning ascribed thereto in Condition 1(b)(i);

“**Quarterly Financial Report**” means the financial accounts and disclosures of CSG and the Group in respect of a calendar quarter reporting period contained in a customary financial report published by CSG;

“**Rating Agency**” means the rating agency specified for this purpose in the Pricing Schedule;

“**Record Date**” has the meaning ascribed thereto in Condition 9(a)(ii);

“**Register**” has the meaning ascribed thereto in Condition 2(a)(i);

“**Regulation S Global Certificate**” has the meaning ascribed thereto in Condition 1(b)(i);

“**Regulator**” means the national regulator body having the leading authority to supervise and regulate CSG with respect to its consolidated capital adequacy at the relevant time being, at the Issue Date, FINMA;

“**Reporting Date**” means, with respect to any Financial Report, (a) in the case of a Quarterly Financial Report, the date of the financial statements contained in such Quarterly Financial Report, and (b) in the case of an Interim Capital Report, the relevant Interim Report Date;

“**Rule 144A**” has the meaning ascribed thereto in Condition 1(b)(i);

“**Rule 144A Global Certificate**” has the meaning ascribed thereto in Condition 1(b)(i);

“**RWA Amount**” means, as at any date, the aggregate amount of all risk-weighted assets of the Group, calculated by CSG pursuant to BIS Regulations applicable at such time, expressed in CSG’s reporting currency;

“**Specified Currency**” has the meaning ascribed thereto in Condition 6(i);

“**Statutory Loss Absorption Date**” has the meaning ascribed thereto in Condition 7(c);

“**Subsidiary**” means a direct or indirect subsidiary within the meaning of applicable Swiss law;

“**TARGET Business Day**” has the meaning ascribed thereto in Condition 6(i);

a “**Tax Event**” is deemed to have occurred if in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts or has paid, or will or would be required to pay, any additional tax in respect of the Notes being in issue, in each case under the laws or regulations of a Tax Jurisdiction, or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which a Tax Jurisdiction is a party, or any generally published application or interpretation of such laws, including a decision of any court or tribunal, or the generally published application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any tax authority, and the Issuer cannot avoid the foregoing by taking measures reasonably available to it;

“**Tax Jurisdiction**” means Switzerland;

“**Threshold Ratio**” means, at any time, five per cent.;

“**Tier 1 Capital**” means Additional Tier 1 Capital together with Common Equity Tier 1 Capital;

“**Tier 1 Instruments**” means any and all shares, securities, participation securities or other obligations issued (a) by CSG or CS (in either case whether or not acting through a branch), but excluding Tier 1 Shares or (b) by any Subsidiary of CSG and having the benefit of a guarantee, credit support agreement or similar undertaking of CSG or CS, each of which shares, securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 1 Capital of CSG, CS and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

“**Tier 1 Shares**” means all classes of paid-in capital in relation to shares and participation certificates, if any, of CSG or any Subsidiary of CSG that qualify as Tier 1 Capital of CSG on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

“**Tier 2 Capital**” means any or all items constituting tier 2 capital under National Regulations or BIS Regulations, as the case may be;

“**Tier 2 Instruments**” means any and all securities or other obligations issued (a) by CSG or CS (in either case whether or not acting through a branch) or (b) by any Subsidiary of CSG and having the benefit of a guarantee, credit support agreement or similar undertaking of CSG or CS, each of which securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that qualifies, as Tier 2 Capital of CSG, CS and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis;

“**U.S. Exchange Act**” has the meaning ascribed thereto in Condition 1(b)(ii)(A);

“**U.S. Securities Act**” has the meaning ascribed thereto in Condition 1(b)(i);

“**Viability Event**” has the meaning ascribed thereto in Condition 7(a)(iii);

“**Viability Event Notice**” has the meaning ascribed thereto in Condition 7(a)(iii);

“**Write-down**” means the events set out in Condition 7(b);

“**Write-down Date**” means the date specified as such in the relevant Write-down Notice, which date shall be:

- (a) in the case of a Viability Event, the date falling ten Business Days after the date of the relevant Viability Event Notice or such earlier date specified therein; or
- (b) in the case of a Contingency Event, (i) if no Higher Trigger Capital Instruments are outstanding at the relevant Reporting Date, the date falling ten Business Days after the date of the relevant Contingency Event Notice or such earlier date specified therein, or (ii) if any Higher Trigger Capital Instruments are outstanding at the relevant Reporting Date, the latest effective date on which all such Higher Trigger Capital Instruments have been converted into equity or written down/off (or otherwise have operated to increase the CET1 Amount);

“**Write-down Event**” has the meaning ascribed thereto in Condition 7(a)(i); and

“**Write-down Notice**” means a Contingency Event Notice or a Viability Event Notice, as the case may be.

In these Conditions, capitalised terms have the respective meanings given to them in the relevant Pricing Schedule, the absence of any such meaning indicating that such term is not applicable to the Notes.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such statutory modification or re-enactment.

Unless the context otherwise requires, references to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes and all other amounts in the nature of principal payable pursuant to these Conditions or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include any Accrued Interest and in any such case shall be deemed to include any Additional Amounts that may be payable under Condition 10 or any undertaking given in addition to or in substitution for it pursuant to Condition 14 in respect of any such amount.

## 19 Governing Law and Jurisdiction

### (a) *Governing Law*

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

**(b) Jurisdiction**

Any dispute which might arise based on these Conditions, the Notes and the Certificates 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.



**PART B**  
**Pricing Schedule**

**relating to Credit Suisse AG**

**U.S.\$2,500,000,000 6.500 per cent. Tier 2 Capital Notes due 2023**

This Pricing Schedule supplements, and forms an integral part of, the Terms and Conditions of the Notes.

1	Issuer:	Credit Suisse AG
2	Series Number:	1
3	Specified Currency or Currencies:	U.S.\$
4	Aggregate Nominal Amount:	
	(i) Series:	U.S.\$2,500,000,000
	(ii) Tranche:	U.S.\$2,500,000,000
5	(i) Specified Denomination:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.\$1,000
6	Issue Date:	8 August 2013
7	Interest Commencement Date:	Issue Date
8	Interest Basis:	Fixed Rate (further particulars specified below)
9	Redemption/Payment Basis:	100 per cent. of principal amount
10	Change of Interest or Payment Basis:	See item 11 below

**PROVISIONS RELATING TO INTEREST PAYABLE**

11	<b>Fixed Rate Note Provisions</b>	Applicable
	(i) Fixed Rate of Interest:	6.500 per cent. per annum payable semi-annually in arrear
	(ii) Day Count Fraction	30/360
	(iii) Interest Payment Date(s)	8 February and 8 August in each year, commencing on 8 February 2014
12	<b>Fixed/Floating Rate Provisions</b>	Not Applicable
13	<b>Floating Rate Note Provisions</b>	Not Applicable
14	<b>Fixed/Floating Rate Notes</b>	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

15	<b>Optional Redemption</b>	Not Applicable
16	<b>Redemption due to Taxation</b>	
	Tax redemption dates:	At any time in accordance with Condition 8(d)
17	<b>Redemption for Capital Event</b>	
	Capital Event (b) Redemption Amount:	103 per cent. of principal amount
	Capital Event redemption dates:	At any time in accordance with Condition 8(e)
18	Final Maturity Date	8 August 2023

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

19	Financial Centre(s) or other special provisions relating to payment dates:	None
20	Ratings:	Fitch Italia S.p.A.: BBB+ Standard & Poor's Credit Market Services Europe Limited: BBB-
21	Listing:	SIX Swiss Exchange
22	Listing Agent:	The functions of the listing agent will be performed by Credit Suisse AG
23	Swiss Paying Agent	The functions of the Swiss paying agent will be performed by Credit Suisse AG
24	Swiss Security Number:	Regulation S: 22034850 Rule 144A: 22034852
25	Common Code:	Regulation S: 095713521 Rule 144A: 096010044
26	ISIN Code:	Regulation S: XS0957135212 Rule 144A: US22546DAA46
27	CUSIP:	Regulation S: G2526S AB8 Rule 144A: 22546D AA4