

Tracker Certificate on the A/V Private Equity Diversified Index

Open-end; issued in USD; listed on SIX Swiss Exchange AG
ISIN CH0562387818 | Swiss Security Number 56238781 | SIX Symbol OSGLTQ

Investors should read the section "Significant Risks" below as well as the section "Risk Factors" of the relevant Programme.

This Product is a derivative instrument. It does not qualify as unit of a collective investment scheme pursuant to art. 7 et seqq. of the Swiss Federal Act on Collective Investment Schemes (CISA) and is therefore neither registered nor supervised by the Swiss Financial Market Supervisory Authority FINMA. Investors do not benefit from the specific investor protection provided under the CISA.

In addition, Investors are subject to the credit risk of the Issuer and Guarantor, if any.

This document is not a prospectus within the meaning of article 1156 of the Swiss Code of Obligations (CO) or article 40 et seqq. of the FinSA.

An Index which contains Loan Instruments (as defined in the Index Rule Book) and/or leveraged Components causes the Components and thus the value of the Index and the price of the Product to respond disproportionately to fluctuations in the price of the Component(s)' underlying assets – both up and down. Thus, the Index and simultaneously also the Product may be exposed to high upwards and downward fluctuations. Further information can be found in the section "Significant Risks" below.

I. Product Description

Product description

The Tracker Certificate (the "Certificate") replicates the price movements in the Underlying (adjusted by the Units, the Management Fee, the Calculation Agent Fee, any expenses and taxes, and, as the case may be, the FX Rate) and is therefore in terms of risk comparable to a direct investment in the Underlying. At the Redemption Date, the Investor will receive a Cash Settlement in the Settlement Currency, as further described under Redemption.

Index description

The Underlying is a dynamic, actively managed index (the "Index") which is discretionarily managed by the Index Sponsor and calculated by the Index Calculation Agent. The components of the Underlying (the "Components") may – subject to Index Calculation Agent's veto right – be rebalanced by the Index Sponsor on a regular basis. The Index Sponsor determines and is responsible for the composition of the Index and may add, replace or remove Components in accordance with a set of predefined rules set out in the Index Rule Book "A/V Private Equity Diversified Index", Version ID ACFUT, dated 06.11.2020 (the "Index Rule Book").

Objective: The investment objective of the Index is to achieve capital appreciation by investing in a diversified equity portfolio holding investments in some of the largest and most successful global private equity managers with global exposure.

Universe: The Index universe consists of eligible Components and may include Cash Instruments, Shares, ETFs, Funds as determined by the Index Sponsor and subject to the restrictions defined in the Index Rule Book.

Leverage: The Index may include leveraged Components the details of which can be found in their individual product documentation. The Calculation Agent reserves the right to maintain a margin account for such leveraged Components. Additional information can be found in the section "Significant Risks" below and in the Index Rule Book.

Settlement of Components: Components may be settled within the Index other than in cash. However, unless otherwise stated therein, there will be no delivery of Components to the Investors other than in cash.

Distributions: Net distributions with respect to Components (after deduction of any expenses and taxes) will lead to an adjustment of the Index (as specified in the Index Rule Book).

The Index represents a hypothetical portfolio. There is no obligation on the Index Calculation Agent, the Issuer or any other party to purchase and/or hold any Components of the Index and there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Index is merely comprised of Components, the performance of which will be used as a reference point for the purposes of calculating the value of the Index. The Issuer shall be free to choose how to invest or further proceed with any proceeds of the issuance of any of the Certificates.

References to any rebalancing of the Index or addition, adjustment, substitution, replacement or removal of Components should not be

construed as imposing an obligation on the Issuer, the Index Calculation Agent or any person actually to acquire or dispose of any securities, investments, assets or other property but are references to the change in, and relate solely to the calculation of, the value of the Index, which is relevant for the determination of any amount payable in respect of the Certificate.

Upon request, the Index Rule Book and the latest composition of the Index are available free of charge from the Lead Manager (Leonteq Securities AG, Europaallee 39, 8004 Zurich, Switzerland or termsheet@leonteq.com).

Underlying							
Underlying	Index Sponsor	Index Calculation Agent	Bloomberg Ticker	Units ₀	Initial FX Rate (FX Rate ₀)	Currency	Initial Fixing Level (Index Value ₀)
A/V Private Equity Diversified Index	Amergeris Wealth Management (Switzerland) AG	LEONTEQ Securities AG	n/a	1.00000	1.00000	USD	USD 1'000

Product Details	
Swiss Security Number	56238781
ISIN	CH0562387818
SIX Symbol	OSGLTQ
Issue Price	USD 1'000.00
Issue Size	10'000 Certificates (can be increased at any time)
Settlement Currency	USD

Dates	
Initial Fixing Date	06.11.2020
Issue Date	09.11.2020
Observation Dates	Quarterly, from (and including) 31.12.2020; if a specific Observation Date is not a Scheduled Trading Day then the following Scheduled Trading Day will be deemed to be an Observation Date.
First Exchange Trading Day	11.11.2020
Last Trading Day/Time	Open-end / Exchange market close or in the case of an exercise of the Issuer's Termination Right or the Investor Redemption, two Scheduled Trading Days prior to the Final Fixing Date
Final Fixing Date	Open-end or in the case of an exercise of the Issuer's Termination Right, as specified in the Issuer's Termination Announcement or in case of an exercise of the Investor Redemption, the day for which the Paying Agent receives the duly signed Redemption Notice (subject to Market Disruption Event provisions)
Redemption Date	Open-end or in the case of an exercise of the Issuer's Termination Right or the Investor Redemption the 5 th Business Day following the Final Fixing Date (subject to Settlement Disruption Event provisions)

Fees	
Agio	Up to 3.00%, will be added to the Issue Price
Distribution Fee	No Distribution Fee
Calculation Agent Fee (CAF)	0.40% p.a. The Calculational Agent Fee reduces the redemption amount subject to the holding period and has a negative effect on the secondary market prices. The Calculation Agent Fee will be paid quarterly on the Observation Dates.
Management Fee (MF)	0.70% p.a. The Management Fee reduces the redemption amount subject to the holding period and has a negative effect on the secondary market prices. The Management Fee will be paid on a regular basis on the Observation Dates.
Rebalancing Fee	A Rebalancing Fee is levied by the Index Calculation Agent inside the Index for each Component adjustment within the Index. The Rebalancing Fee represents a percentage amount of 0.10% of the notional volume of each of the transactions in the Components. Component adjustments exceeding a certain number per calendar year may be subject to increased Rebalancing Fees. For the avoidance of doubt, the Rebalancing Fee does not apply to changes in Units _i in the Underlying. Market charges, such as e.g. stamp duty or execution costs incurred by a hypothetical hedging entity as determined by the Index Calculation Agent in its sole discretion, will always be charged in addition to the Rebalancing Fee.
Other Fees	Additional fees may be charged within individual Components (e.g. structured products) as outlined in the product documentation of the relevant Component available from the Index Sponsor upon request. Such fees may also be paid to the Issuer and/or to third parties such as the Index Sponsor.

Redemption

The Investor is entitled to receive from the Issuer, subject to an Extraordinary Termination, on the Redemption Date per Product a Cash Settlement in the Settlement Currency corresponding to the value of the Underlying on the Final Fixing Date adjusted by the Units_t, the Management Fee, the Calculation Agent Fee and, as the case may be, the FX Rate. This amount equals Value_t on the Final Fixing Date, where Value_t is calculated according to the following formula and reasonably determined by the Calculation Agent:

$$\text{Value}_t = \text{FX Rate}_t \times \text{Units}_t \times \text{Index Value}_t - \text{AMF}_t - \text{ACAF}_t$$

Index Value_t Means the official closing price of the Underlying on Scheduled Trading Day t as published by the Index Calculation Agent, and as reasonable determined by the Calculation Agent.

FX Rate_t Means the prevailing exchange rate on the Scheduled Trading Day t as reasonably determined by the Calculation Agent. The exchange rate is expressed as units of the Settlement Currency per one unit of currency of the Underlying (if both currencies are identical then FX Rate_t is equal to 1.0).

Units_t Means the notional units of the Underlying per Product on Scheduled Trading Day t.

Provided Scheduled Trading Day t is not an Observation Date:

$$\text{Units}_t = \text{Units}_{t-1}$$

If Scheduled Trading Day t is an Observation Date:

$$\text{Units}_t = \text{Units}_{t-1} - (\text{AMF}_t + \text{ACAF}_t) / (\text{Index Value}_{t-1} \times \text{FX Rate}_t)$$

Where Index Value_t means Index Value_t of the Underlying on Scheduled Trading Day t, adjusted by any costs incurred by the Issuer or a hedging party thereof for unwinding risk reducing hedging transactions relating to the Issuer's obligations under the Product, as reasonable determined by the Calculation Agent. Units_t are rounded in accordance with the Rounding Convention.

Following the adjustment of Units_t by AMF_t, AMF_t is reset to zero.

Following the adjustment of Units_t by ACAF_t, ACAF_t is reset to zero.

AMF_t Means the accrued management fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows:

$$\text{AMF}_t = \text{AMF}_{t-1} + \text{Value}_{t-1} \times \text{MF} \times \text{DayCount}_t \quad \text{and} \quad \text{AMF}_0 = 0.00$$

ACAF_t Means the accrued calculation agent fees on Scheduled Trading Day t and is determined by the Calculation Agent as follows:

$$\text{ACAF}_t = \text{ACAF}_{t-1} + \text{Value}_{t-1} \times \text{CAF} \times \text{DayCount}_t \quad \text{and} \quad \text{ACAF}_0 = 0.00$$

DayCount_t Means the actual number of calendar days between (and including) Scheduled Trading Day t-1 to (and excluding) the current Scheduled Trading Day t divided by 360.

Initial Fixing Level (Index Value₀) Means the official closing price of the Underlying on the Initial Fixing Date as determined by the Calculation Agent.

Interim Payments The Index Sponsor may, subject to the approval by the Index Calculation Agent in its reasonable discretion, request the disbursement to the Investor of interest, dividend or other return on capital payments occurred in respect of a Component (the "Interim Payment") by sending a duly signed notice to the Index Calculation Agent identifying the payment date (any such date being an "Interim Payment Date") and amount (any such amount being an "Interim Payment"), provided the necessary cash at the Interim Payment Date is available. Interim Payment are Cash Settlements only. If a specific Interim Payment Date is not a Scheduled Trading Day, then the following Scheduled Trading Day will be deemed to be an Interim Payment Date. Any such Interim Payment will result in a corresponding reduction of Index Value.

Issuer's Termination Right The Issuer has the right to call all Certificates for early redemption (the "Termination Right") at any time with a 10 Business Days (prior to the respective Final Fixing Date) notice by announcement (the "Termination Announcement") on the Paying Agent's website, all in accordance with the General Terms and Conditions of the Programme. The Termination Announcement will specify the Final Fixing Date and the respective Redemption Date. Following the announcement, the Certificates will be redeemed on the Redemption Date for a value equal to the Value_t on the Final Fixing Date as determined by the Calculation Agent.

Investor Redemption Each Investor has an annual right, on the 06 November for the first time on 06.11.2021 (such day being the Final Fixing Date; Following Business Day Convention will apply) to call the Certificates for redemption (taking into account any Minimum and/or Maximum Redemption Number, if such is applicable as stated under "General Information" herein), by delivering a duly completed and signed Redemption Notice to the Paying Agent in accordance with General Terms and Conditions of the Programme (notice to be received by the Paying Agent no later than 07.00 am CET on the 10th Business Day preceding the respective Final Fixing Date). Following such announcement the Certificates will be redeemed on the Redemption Date for a value equal to the Value_t on the Final Fixing Date as determined by the Calculation Agent.

Extraordinary Termination The Issuer has the right to call all Certificates with **immediate** effect, without prior notice (the “**Extraordinary Termination**”). Such Extraordinary Termination will prevail any Investor Redemption and/or Issuer’s Termination, if applicable.

The Issuer may exercise its right for Extraordinary Termination:

- a. based on Hedging Disruption and other provisions as set out in paragraph “*Termination and Cancellation due to Illegality, Illiquidity, Impossibility, Increased Cost of Hedging, a Hedging Disruption, Increased or Cost of Collateralization (COSI and TCM) or Changed Secured Financing Ability*” of the Programme; or
- b. if the agreement, or any part thereof concerning the Index, between the Index Sponsor and the Issuer and/or the Index Calculation Agent (or an affiliate thereof) is terminated; or
- c. if the Index in whole or the calculation of the index value are terminated, as the case may be.

In case of an Extraordinary Termination the Issuer will pay to the Investor a Cash Settlement in the Settlement Currency that shall be the fair market value of the Product, taking into account the event that led to the Extraordinary Termination, less any costs and withholdings levied onto the Issuer and/or any of its affiliates for unwinding its hedge positions, all as determined by the Calculation Agent in its sole discretion. Such amount shall be paid to the Investor 5 Business Days following completion and receipt in full of the proceeds for all disinvestments in all relevant hedge positions, as reasonably determined by the Calculation Agent in its sole discretion.

General Information

Issuer	Leonteq Securities AG, Zurich, Switzerland (Rating: Fitch BBB- with stable outlook, JCR BBB+ with stable outlook, Supervisory Authority: FINMA)
Lead Manager	Leonteq Securities AG, Zurich, Switzerland
Calculation Agent	Leonteq Securities AG, Zurich, Switzerland
Paying Agent	Leonteq Securities AG, Zurich, Switzerland
Index Sponsor	Amergeris Wealth Management (Switzerland) AG, Muhlebachstrasse 54, Zurich 8008, Switzerland. The Index Sponsor is supervised by: VSV Verband Schweizerischer Vermögensverwalter.
Listing/Exchange	SIX Swiss Exchange AG; traded on SIX Swiss Exchange – Structured Products Listing will be applied for.
Secondary Market	Daily price indications will be available from 09:15 - 17:15 CET on www.leonteq.com , Refinitiv [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ.
Quotation Type	Secondary market prices are quoted in in the Settlement Currency, per Product.
Settlement Type	Settlement in cash (“Cash Settlement”)
Rounding Convention	Numbers are rounded down to five (5.0) decimal places.
Scheduled Trading Day	Means any calendar day on which the Index Calculation Agent is scheduled to publish a value for the Underlying. The Initial Fixing Date corresponds to Scheduled Trading Day 0 and for any subsequent Scheduled Trading Day variable t is incremented by one (1.0).
Minimum Investment	1 Certificate(s)
Minimum Trading Lot	1 Certificate(s)
Minimum Redemption Number	1 Certificate(s)
Maximum Redemption Number	1 Certificate(s)
Selling Restrictions	<p>This Product may be distributed or offered in or from Switzerland only to professional clients within the meaning of article 4 et seq. of the Financial Services Act (FinSA), as amended from time to time, and only marketing efforts commonly deployed for the market with such a selected investors' universe may be used.</p> <p>No action has been or will be taken to permit any offering of the Products or possession or distribution of any offering material in relation to the Products in any jurisdiction, where such action for that purpose is required. Consequently, any offer, sale or delivery of the Products, or distribution or publication of any offering material relating to the Products, may only be made in or from any jurisdiction in compliance with applicable laws and regulations not imposing any obligations on the Issuing Parties or the Lead Manager.</p> <p>Possible limitations resulting from legal restrictions with regard to cross-border communication and cross-border business concerning the products and related information remain reserved.</p> <p>Offering and selling restriction in particular apply with respect to the EEA, UK, Hong Kong and Singapore.</p> <p>The Products may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S).</p> <p>Detailed information on Selling Restrictions is published in the Programme which is available on www.leonteq.com.</p>
Clearing	SIX SIS Ltd, Euroclear, Clearstream
Depository	SIX SIS Ltd
Public Offering only in	Switzerland only

Form	Uncertificated Security / Book-entry
Governing Law/Jurisdiction	Swiss / Zurich

The definition “Issuing Party/Parties” as used herein, means the Issuer, as indicated in section “General Information”.

Taxation Switzerland

Swiss Federal Stamp Duty Secondary market transactions are not subject to Swiss stamp duty.

Swiss Income Taxation (for private investors with tax domicile in Switzerland) For Swiss income tax purposes, the Product is treated as analogous to a share/unit in a foreign investment fund. The taxable income earned by the Product is not reported to the Swiss Federal Tax Administration. The taxable income is determined at the discretion of the Swiss Federal Tax Administration. The discretionary tax assessment is based on a return in line with the market, taking into account the asset classes in which the certificate assets are invested.

The tax treatment regarding the cantonal and communal income taxes can differ from the tax treatment regarding the Federal Direct Tax. But in general the income tax treatments are corresponding.

Swiss Withholding Tax The Product is not subject to the Swiss Withholding Tax.

On 1 January 2017 Switzerland has implemented the Automatic Exchange of Information in Tax Matters (“AEOI”) with the EU and Australia, Jersey, Guernsey, Isle of Man, Iceland, Norway, Japan, Canada and South Korea. Switzerland is also negotiating the introduction of the AEOI with other countries. In this context the EU Savings Tax for Swiss paying agents and the Final Withholding Tax with UK and Austria was repealed.

The tax information is a non-binding summary and only provides a general overview of the potential tax consequences linked to this Product at the time of issue. Tax laws and tax doctrine may change at any time, possibly with retroactive effect.

Investors and prospective Investors are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their particular circumstances. The Issuing Parties and the Lead Manager hereby expressly exclude any liability in respect of any possible tax implications.

Any payment under this Product may be subject to withholding tax (such as, inter alia, withholding related to FATCA (Foreign Account Tax Compliance Act) or 871(m) of the US Tax Code). Any payments due under this Product are net of such tax. If an amount in respect of Section 871(m) of the U.S. Tax Code were to be deducted or withheld from interest, principal or other payments on the Products, none of the Issuer, any Paying Agent or any other person would be required to pay additional amounts as a result of the deduction or withholding of such tax, i.e. the Investor would receive a significant lower amount than he would have received without such deduction or withholding.

Product Documentation

The Indicative Termsheet includes the information required for a preliminary simplified prospectus and the Termsheet which will be available no later than on the Issue Date, as well as the Final Termsheet include the information required for a definitive simplified prospectus pursuant to article 5 the Collective Investment Schemes Act (“CISA”), as such article was in effect immediately prior to the entry into effect of the Swiss Financial Services Act (“FinSA”), but not a prospectus pursuant to article 40 of the FinSA or article 1156 of the Swiss Code of Obligations. No basic information document according to article 60 of the FinSA or any equivalent document under the FinSA has been or will be prepared in relation to the Products.

No prospectus has been reviewed or approved by a Swiss review body pursuant to article 52 FinSA, and the documentation prepared in relation to the Products may not comply with the disclosure requirements applicable to a prospectus approved by such a review body under the FinSA. The Termsheet contains a summary of information of the Product and is for information purposes only. The Termsheet contains a summary of information of the Product and is for information purposes only. **Only the Final Termsheet together with the Issuance and Offering Programme of the relevant Issuer valid as per the Initial Fixing Date containing all further relevant terms and conditions, as such is amended from time to time (the “Programme”), shall form the entire and legally binding documentation for this Product (“Product Documentation”), and accordingly the Final Termsheet should always be read together with the Programme. Definitions used in the Final Termsheet, but not defined therein, shall have the meaning given to them in the Programme. Even though translations into other languages might be available, it is only the Final Termsheet and Issuance and Offering Programme in English which are legally binding.**

Notices to Investors in connection with this Product shall be validly given in accordance with the terms and conditions of the Programme. In addition, any changes with regard to the terms and conditions of this Product will be published on the relevant Termsheet on www.leonteq.com under the section “Products” or, for listed products, in any other form as permitted by the rules and regulations of the SIX Swiss Exchange Ltd. Notices to Investors relating to the Issuing Parties will be published under the section “About us” on www.leonteq.com and/or on the web page of the respective Issuing Party.

Insofar as this publication contains information relating to a Packaged Retail and Insurance-based Investment Product (PRIIP), a Key Information Document in accordance with Regulation (EU) No 1286/2014 (PRIIPs Regulation) is available and can be obtained from www.priipkidportal.com.

During the whole term of this Product, the Product Documentation can be ordered free of charge from the Lead Manager at Europaallee 39, CH-8004 Zurich (Switzerland), via telephone (+41-(0)58-800 1111*), fax (+41-(0)58-800 1010) or via e-mail (termsheet@leonteq.com). Please note that all calls made to numbers marked with an asterisk (*) are recorded. By calling such number, your consent to the recording is deemed given.

II. Prospects for Profit and Loss

This product falls within the category “Participation Products”. The profit the Investor could realize with this Product at redemption is unlimited (except for bearish products and products with the special feature “capped participation”). The redemption amount is directly linked to the performance of the Underlying(s), taking into account any participation rates or other features.

On the downside, especially if the product has forfeited any contingent capital protection (like e.g. a barrier, strike), the Investor is exposed to the negative development of the Underlying(s). **This might (even if a Stop Loss Event has occurred) lead to a partial or even a total loss of his investment.**

Please refer to the sections "Product Description" and "Redemption" for more detailed information on the characteristics of this Product.

III. Significant Risks

Risk Factors Relating to the Product

The downside risk of this Product is the same as for the Underlying, i.e. the Investor could lose the total investment if the Underlying value falls to zero. However, the Value of the Product might differ from the Underlying's performance due to fee adjustments (if applicable). Investors may lose a significant part or all of their investment in this Product.

General

The Product provides exposure to a discretionary Index managed by the Index Sponsor. The Index Sponsor has a significant scope of discretion in terms of the Index' composition and will determine the initial composition of the Index and subsequent adjustments thereof, excluding adjustments and substitutions made by the Index Calculation Agent in accordance with the Index Rule Book or as defined herein and save where a rebalancing request of the Index Sponsor has been declined by the Index Calculation Agent. The performance of the Index and hence of the Product depends, inter alia, on the quality of the Index Sponsor's decisions as regards the composition of the Index (excluding adjustments and substitutions made by Index Calculation Agent in accordance with the Index Rule Book or as defined herein). Investors need to do their own due diligence with respect to the Index Sponsor.

Index Success

Neither the Calculation Agent nor the Index Calculation Agent take any responsibility for the composition of, adjustment (excluding adjustments not due to a Non-Compliance Event and substitutions made by Index Calculation Agent in accordance with the Index Rule Book or as defined herein) to and the success of the Index.

Diversification of the Index

If there are no minimum diversification criteria for the Index, as defined in the Index Rule Book, the Underlying may comprise of one single Component.

Foreign Exchange Risk

The Investor in the Product may be exposed to foreign exchange rate risk depending on the composition of the Index.

Interest Rate Risk

The Investor in the Product may be exposed to interest rate risk depending on the composition of the Index and the Settlement Currency.

Value Risk

For reasons not necessarily attributable to any of the risk factors set forth herein (for example, supply/demand imbalances or other market forces), the prices of the Components of the Index to which the Product is linked, may decline substantially.

Early Termination Risk

The Issuer may call the Product in accordance with the provisions as set forth above, e.g. if a Stop Loss Event occurred (please refer to section "Redemption"). Such early termination may adversely affect the Investors' financial interests.

Illiquidity Risk

One or, if applicable, more of the Components of the Index might be or become illiquid over the life time of the Product. Illiquidity of a Component of the Index might lead to larger bid/offer spreads of the Product and/or might delay the acquisition, unwind or disposal of hedging transaction(s) or asset(s) or realization, recovery or remittance of the proceeds of such hedging transaction(s) or asset(s) which might implicate a postponed redemption and/or a modified redemption amount, as reasonably determined by the Calculation Agent.

Additional Risk Factors

Prospective Investors should ensure that they fully understand the nature of this Product and the extent of their exposure to risks and they should consider the suitability of this Product as an investment in the light of their own circumstances and financial condition. Products involve a high degree of risk, including the potential risk of becoming worthless. Potential Investors should be prepared and in a position to sustain a total loss of the capital invested to purchase this Product. Prospective Investors shall consider the following important risk factors and see the section "Risk Factors" of the Programme for details on all other risk factors to be considered.

This is a structured product involving derivative components. Investors should make sure that their advisors have verified that this Product is suitable for the portfolio of the investor taking into account the investor's financial situation, investment experience and investment objectives.

The terms and conditions of the Product may be subject to adjustments during the lifetime of the Product as set out in the Programme.

Investors whose usual currency is not the currency in which the product is redeemed should be aware of their possible currency risk. The value of the Product may not correlate with the value of the Underlying(s).

Market Risks

The general market performance of securities is dependent, in particular, on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the Underlying(s) or the Product. There is also the risk of market disruptions (such as trading or market/exchange interruptions or discontinuation or limitation of trading) or other unforeseeable occurrences concerning the respective Underlyings and/or their exchanges or markets taking place during the term or upon maturity of the Products. Such occurrences can have an effect on the time of redemption and/or on the value of the Products.

Credit Risk of Issuing Parties

Investors bear the credit risk of the Issuing Parties of the Product. The Products constitute unsubordinated and unsecured obligations of the relevant Issuing Party and rank *pari passu* with each and all other current and future unsubordinated and unsecured obligations of the relevant Issuing Party. The insolvency of an Issuing Party may lead to a partly or total loss of the invested capital.

Secondary Market

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, intends, under normal market conditions, to provide bid and offer prices for the Products on a regular basis in accordance with the SIX Directive on Debt Securities with Specific Structures. However, the Issuer and/or the Lead Manager, as applicable, reserve the right to cease the posting of bid and offer prices upon the occurrence and for the duration of any exceptional market circumstances. In special market situations, where the Issuer and/or the Lead Manager is/are unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer and/or the Lead Manager.

Additional Risk Factors Related to Products linked to a Reference Asset denominated in Renminbi and Renminbi-Denominated Products

For the purpose of this Termsheet and where the context requires, "Renminbi" or "CNY" refers to the lawful currency of the People's Republic of China ("PRC"). "CNY" is the official (ISO) code on the currency markets. CNY is not available and not tradable outside of the PRC. Therefore "CNH" has been established as offshore deliverable CNY. CNH is not an official ISO code and is only used as a technical term for differentiation between the currency used/traded in the PRC (CNY) and the respective offshore tradable and deliverable currency (CNH).

Renminbi is subject to PRC exchange control policies and there is limited availability of Renminbi outside the PRC.

Renminbi is not freely convertible and is subject to exchange control policies and restrictions of the PRC government. As a result of restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited, which may adversely affect the liquidity of Renminbi outside the PRC, which in turn may adversely affect the market value, and the potential return, of the Product.

Risks relating to Renminbi exchange rate and interest rate

The exchange rate of, and interest rate for, Renminbi outside the PRC may be different from the same in the PRC. The value of Renminbi against Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political, economic and market conditions and by many other factors. There is no guarantee that Renminbi will not depreciate and any devaluation of Renminbi could adversely affect the market value of the Product. In addition, interest rates for Renminbi in the PRC are government controlled. The PRC government may further liberalise the regulation of interest rates for Renminbi in the PRC which may increase interest rate volatility for Renminbi outside the PRC. Any fluctuation in interest rates for Renminbi outside the PRC may adversely affect the market value, and the potential return, of the Product.

Renminbi payment risk

If the Settlement Currency of the Product is Renminbi, and a FX Disruption Event has occurred and is continuing on, a scheduled date of payment, payment may be made in Successor Currency on the postponed payment date. In such case, there may be a delay in payments under the Product and no interest will be payable for any such delay. Investors may also suffer a loss in the Successor Currency if Renminbi depreciates against the Successor Currency following the occurrence of a FX Disruption Event.

China Connect risk

If the Underlying(s) or Underlying Component(s) are eligible securities listed and traded on the SSE and SZSE ("China Connect Securities") (as in the case of A-Shares as Underlying), foreign investors may invest in such China Connect Securities through China Connect. The respective Hedging Entity may (but is not obliged to) choose to hedge obligations under the Products using China Connect.

Trading through China Connect is subject to a number of restrictions which may restrict or affect an investment in China Connect Securities, including (but not restricted to) the application of PRC law and regulation to investors in China Connect Securities, pre-trade checking to prevent naked short-selling, the application of aggregate and daily RMB quotas and restrictions on the ability of an investor to take up certain types of rights issuances through China Connect. In particular, it should be noted that China Connect is in its initial stages. Further developments are likely and there is no assurance as to whether or how such developments may restrict or affect an investment in China Connect Securities. In addition, the laws and regulations of Hong Kong and the PRC, and the rules, policies or guidelines published or applied by any regulator which regulates China Connect and activities relating to China Connect (including without limitation, the China Securities Regulatory Commission (CSRC), People's Bank of China (PBOC), State Administration of Foreign Exchange (SAFE), Securities and Futures Commission (SFC), Hong Kong Monetary Authority (HKMA) or any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of China Connect), or any exchange, clearing system or other entity which provides services relating to China Connect (including without limitation, the Stock Exchange of Hong Kong (SEHK) and any relevant subsidiary, Hong Kong Securities Clearing Company (HKSCC), Shanghai Stock Exchange (SSE), Shenzhen Stock Exchange (SZSE) or China Securities Depository and Clearing Corporation (CSDCC) from time to time in respect of China Connect or any activities arising from China Connect are new and subject to change, and there may be uncertainty as to their interpretation and/or implementation.

These potential restrictions and uncertainties relating to China Connect may trigger a Hedging Disruption, a Market Disruption Event or an Additional Disruption Event. Even if trading on the SSE or SZSE continues uninterrupted, such events concerning China Connect could lead to adjustments to the terms of the Products or to their redemption earlier, or later, than scheduled. Such uncertainty and any potential change of the laws and regulations in the PRC for the China Connect may adversely impact on the performance of the Underlying and may also have a potential retrospective effect. These changes may in turn adversely affect the market value of the Product, which may result in a partial or total loss of the invested capital.;

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The PRC capital market is still at a premature stage. Regulation of the PRC capital market is heavily influenced by government policies and is less transparent and less efficient than the regulation of developed capital markets. There still remain allegations and convictions of malpractices such as market manipulation and insider trading. The stock price of a PRC listed company may not therefore reasonably reflect its intrinsic value. In addition, the disclosure of information by a PRC company with respect to its financial status may not always be complete and reliable. If the stock price of a

PRC listed company does not reasonably reflect its intrinsic value, such pricing inaccuracy will be passed through to derivative instruments such as the Products.

Investment in the PRC securities markets (which are inherently stock markets with restricted access) involves certain risks and special considerations as compared with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

Additional Information / Disclaimer

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