

Amendment to Program Information

Credit Suisse International

AMENDMENT TO PROGRAM INFORMATION

Type of Information: Amendment to Program Information

Date of Announcement: 11 May 2018

Issuer Name: Credit Suisse International

Name and Title of Representative: David Mathers
Chief Executive Officer

Address of Head Office: One Cabot Square, London E14 4QJ, UK

Telephone: +44 (0)20 7888 8888

Contact Person: Attorney-in-Fact:
Eiichi Kanda, Attorney-at-law
Yasuaki Dote, Attorney-at-law
Yuki Hoshinaga, Attorney-at-law

Clifford Chance (Gaikokuho Kyodo Jigyo)
Palace Building, 3rd floor
1-1, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100-0005

Telephone: 81-3-6632-6600

Address of Website for Announcement: <https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html>

Information on initial Program Information:

Date of Announcement: 18 August 2017

Scheduled Issuance Period: 21 August 2017 to 20 August 2018

Maximum Outstanding Issuance Amount: Unlimited

This amendment is filed to update the information included in the Program Information dated 18 August 2017 (as amended on 12 December 2017, 25 January 2018 and 27 March 2018). This constitutes an integral part of such Program Information dated 18 August 2017 (as amended on 12 December 2017, 25 January 2018 and 27 March 2018) and shall be read together with it.



Credit Suisse International

Debt Issuance Programme (Unlimited Program Size)

This Supplement (the "**Supplement**") is supplemental to, and should be read in conjunction with, (i) the Listing Supplement dated 2 October 2015 (the "**Listing Supplement**") in respect of the debt issuance programme established by Credit Suisse International ("**CSi**" or the "**Issuer**") on 10 August 2006 for the issuance of securities of CSi (the "**Securities**") (as supplemented from time to time), (ii) any other documents incorporated by reference therein and (iii) in relation to any particular Securities, the Pricing Supplement relating to those Securities. Capitalised terms used in this Supplement but not defined herein shall have the meanings ascribed to them in the Listing Supplement.

Supplement to Listing Supplement dated 11 May 2018

RISK FACTORS

The section in the Listing Supplement entitled "Risks relating to regulatory action in the event that CSi is failing or the UK resolution authority considers that it is likely to fail" under "Risks associated with the creditworthiness of the Issuer" shall be updated by the information below.

Risks relating to regulatory action in the event that CSi is failing or the UK resolution authority considers that it is likely to fail

If CSi were to become subject to a "resolution regime" you could lose some or all of your investment in the Securities

The EU Bank Recovery and Resolution Directive ("**BRRD**") entered into force on 2 July 2014. Its stated aim is to provide national "resolution authorities" (such as the Bank of England in the UK) with a set of powers and tools to deal with financial institutions that are failing or likely to fail and thereby address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

In the United Kingdom, the majority of the requirements of the BRRD have been implemented into national law through the UK Banking Act (and relevant statutory instruments). The UK implementation of the BRRD included the introduction of the so-called "bail-in" tool (as described below) as of 1 January 2015 and the requirement for relevant financial institutions to meet at all times, a minimum requirement for own funds and eligible liabilities as of 1 January 2016.

The UK Banking Act provides for a "resolution regime" granting substantial powers to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the Prudential Regulatory Authority, the FCA and HM Treasury, as appropriate, to implement resolution measures with respect to a UK financial institution (such as CSi) where the relevant UK resolution authority considers that the relevant institution is failing or is likely to fail and action is necessary in the public interest. The resolution powers available to the UK resolution authority include powers to:

- direct the sale of the relevant institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply (the "sale of business tool");
- transfer all or part of the business of the relevant institution to a "bridge bank" (which will be a publicly controlled entity) (the "bridge bank tool");
- transfer the impaired or problem assets of the relevant institution to an asset management vehicle to allow them to be managed over time (the "asset separation tool");
- take the relevant institution into temporary public ownership (i.e., nationalisation); and
- exercise the "bail-in" tool (as discussed below), which could result in a write down of the amount owing or conversion of the relevant liability (which could include a Security) to equity.

The "bail-in" tool (as discussed below) may be used together with any of the sale of business tool, the bridge bank tool or the asset separation tool (or such tools may be used in any combination).

In addition, the UK Banking Act grants powers to the UK resolution authority to:

- modify contractual arrangements (such as the terms and conditions of the Securities in certain circumstances);
- suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers (e.g., suspending acceleration and enforcement rights under the Securities); and
- disapply or modify laws in the UK (with possible retrospective effect) to enable the recovery and resolution powers under the UK Banking Act to be used effectively.

Prospective purchasers of Securities issued by CSi should be aware that the exercise of any such resolution power or even the suggestion of any such potential exercise could materially adversely affect the value of any such Securities, and could lead to holders of such Securities losing some or all of their investment. The resolution regime is designed to be triggered prior to insolvency of the relevant institution, and holders of securities issued by such institution may not be able to anticipate the exercise of any resolution power (including exercise of the "bail-in" tool described below) by the UK resolution authority. Holders of securities issued by an institution which has been taken into a resolution regime will have very limited rights to challenge the exercise of powers by the UK resolution authority, even where such powers have resulted in the write down or conversion of such securities to equity. Further, notwithstanding that CSi is an unlimited company and, as a result, upon its liquidation its creditors have a right of recourse against CSi's shareholders, holders of securities issued by CSi may not be able to benefit from such recourse if CSi becomes subject to the exercise of any resolution or stabilisation power or such power is exercised in a manner which prevents its liquidation (or otherwise changes the nature of the insolvency procedure to which CSi may ultimately become subject).

The exercise by the UK resolution authority of the "bail-in" tool in relation to the Securities would result in the write down and/or conversion to equity of such Securities

In addition to the other powers described above, the UK resolution authority may exercise the "bail-in" tool in relation to a failing UK financial institution. The "bail-in" tool includes the powers to:

- write down to zero (i.e., cancel) a liability or modify its terms for the purposes of reducing or deferring the liabilities of the relevant institution; and/or
- convert a liability from one form or class to another (e.g., from debt to equity).

The exercise of such powers could result in (i) the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, any Security issued by CSi, and/or (ii) the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, such Securities into shares or other securities or other obligations of CSi or another person, and/or (iii) the amendment of the maturity of such securities or the amount of interest or any other amount payable on such securities or the date of which such interest or other amount becomes payable (including by suspending payment for a temporary period), including by means of a variation to the terms of such Securities, in each case, to give effect to the exercise by the UK resolution authority of such power.

The purpose of the "bail-in" tool is to enable the resolution authority to recapitalise an institution by allocating losses to its shareholders and unsecured creditors (which could include the holders of Securities) in a manner that (i) respects the hierarchy of claims in an ordinary insolvency and (ii) is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant institution (known as the "no creditor worse off" safeguard).

Insured deposits and secured liabilities and certain other liabilities are excluded from the scope of the "bail-in" tool. Further, as part of the reforms required by the BRRD, other deposits will be preferred in the insolvency hierarchy ahead of all other unsecured senior creditors of a UK institution.

The exercise of any resolution power, including the "bail-in" tool, in respect of CSi and any Securities issued by it or any suggestion of any such exercise could materially adversely affect the rights of the holders of such Securities, the value of their investment in such Securities and/or the ability of CSi to satisfy its obligations under such Securities, and could lead to the holders of such Securities losing some or all of their investment in such Securities. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the holders of such Securities in the resolution, and there can be no assurance that holders of such Securities would recover such compensation promptly.

Holders of Securities may not be able to anticipate the exercise of the "bail-in" tool or any such resolution power

The stabilisation powers are intended to be exercised pre-emptively – i.e., prior to the point at which insolvency proceedings with respect to the relevant institution would be initiated – in order to resolve the institution and protect the public interest. Accordingly, the stabilisation options may be exercised if the UK resolution authority:

- (i) is satisfied that a relevant institution is failing, or is likely to fail;
- (ii) determines that it is not reasonably likely that (ignoring the stabilisation powers) action will be taken by or in respect of the relevant institution that will result in condition (i) above ceasing to be met within a reasonable timeframe;
- (iii) considers that the exercise of the stabilisation powers to be necessary, having regard to certain public interest considerations (such as, for example, the stability of the UK financial system, public confidence in the UK banking system and the protection of depositors); and
- (iv) considers that the special resolution objectives would not be met to the same extent by the winding-up of the relevant institution.

The use of different stabilisation powers is subject to further "specific conditions" that vary according to the relevant stabilisation power being used. Additional conditions will apply where the UK resolution authority seeks to exercise its powers in relation to UK banking group companies.

It is uncertain how the UK resolution authority would assess such conditions in different pre-insolvency scenarios affecting the relevant institution. The UK resolution authority is also not required to provide any advanced notice to Securityholders of its decision to exercise any resolution power. Therefore, holders of the Securities issued by CSi may not be able to anticipate a potential exercise of any such powers nor the potential effect of any such exercise on CSi and on any such Securities.

Holders of securities of an institution subject to the exercise of the "bail-in" tool or other resolution power may have only very limited rights to challenge the exercise of such power

Holders of securities of an institution subject to the exercise of the "bail-in" tool or other resolution power (such as Securities) may have only very limited rights to challenge any decision of the UK resolution authority to exercise such power or to have that decision judicially reviewed. Further, the UK resolution authority would be expected to exercise such powers without the consent of the holders of the affected securities.

Prospective investors should assume that the UK government would not provide extraordinary public financial support, or if it did, only as a last resort after the bail-in tool or other resolution tools have been utilised

Provided that certain conditions are satisfied, the UK government may provide extraordinary public financial support in relation to a failing UK financial institution by providing capital to such financial institution in exchange for Common Equity Tier 1 instruments, Additional Tier 1 instruments or Additional Tier 2 instruments, or by taking such financial institution into temporary public ownership (i.e., nationalisation). However, prospective purchasers of Securities issued by CSi should assume that any such additional financial stabilisation tool(s) would only be used (if at all) as a last resort after having assessed and exploited the other resolution tools (e.g., the bail-in tool, as described above) to the maximum extent practicable.

The UK's decision to leave the EU

On 23 June 2016, voters in the UK voted to leave the EU in a non-binding referendum (see the section headed "Principal Risks and Uncertainties – Political Outlook" on page 13 of the 2017 CSi Annual Report (as defined in the CSi Registration Document)). The exit process may include the renegotiation, either during a transitional period or more permanently, of a number of regulatory and other arrangements between the EU and the UK that directly impact CSi's businesses. CSi is working to address the implications of the consequences of these changes and to ensure operational continuity for CSi's clients. Adverse changes to any of these arrangements, and even uncertainty over potential changes during any period of negotiation, could potentially impact CSi's results in the UK or other markets.

DOCUMENTS INCORPORATED BY REFERENCE

The Listing Supplement and this Supplement should be read and construed in conjunction with the following document which shall be deemed to be incorporated in, and form part of, the Listing Supplement and the Supplement and supplement the section entitled "*Documents Incorporated by Reference*" of the Listing Supplement:

- (a) The registration document of CSi dated 23 April 2018 (the "**CSi Registration Document**") approved by the UK Listing Authority (as may be supplemented and/or replaced from time to time) is incorporated by reference in respect of CSi. The latest CSi Registration Document and any supplements thereto are available at <https://www.credit-suisse.com/media/assets/investment-banking/docs/financial-regulatory/international/csi-registration.pdf>.
- (b) The annual and current reports, including interim financial information, and other relevant information of CSi, are incorporated by reference in respect of CSi and are available at <https://www.credit-suisse.com/ch/en/investment-banking/financial-regulatory/international.html>.

Copies of this Supplement will be available for inspection during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents. In addition, copies of the documents incorporated by reference in this Supplement (and any document incorporated by reference therein) will be available free of charge during normal business hours on any business day (except Saturdays, Sundays and legal holidays) at the offices of the Paying Agents and at the registered office of CSi.

CREDIT SUISSE INTERNATIONAL

The information provided below has been extracted from the CSi Registration Document and is correct as of the date of this Supplement. The section in the Listing Supplement entitled "Credit Suisse International", "Organisational Structure", "Material Adverse Change and Significant Change", "Names and Addresses of Directors and Executives", "Legal and Arbitration Proceedings", "Auditors" and "Financial Information" shall be updated by the information below under the respectively corresponding headings.

Credit Suisse International

CSi was incorporated in England and Wales under the Companies Act 1985, on 9 May 1990, with registered no. 2500199, was re-registered as an unlimited company under the name "Credit Suisse Financial Products" on 6 July 1990, and was renamed "Credit Suisse First Boston International" on 27 March 2000 and "Credit Suisse International" on 16 January 2006.

CSi, a bank domiciled in England established under English law, is an indirect wholly owned subsidiary of Credit Suisse Group AG ("CSG"). CSi's registered head office is in London and is located at One Cabot Square, London E14 4QJ and its telephone number is +44 (0)20 7888 8888.

CSi is authorised by the PRA and regulated by the FCA and the PRA.

CSi is an unlimited liability company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of CSi in the event of its liquidation. The joint, several and unlimited liability of the shareholders of CSi to meet any insufficiency in the assets of CSi will only apply upon liquidation of CSi. Therefore, prior to any liquidation of CSi, the creditors may only have the benefit of recourse to the assets of CSi and not to those of its shareholders.

CSi commenced business on 16 July 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, foreign exchange, equities, commodities and credit. The primary objective of CSi is to provide comprehensive treasury and risk management derivative product services. CSi has established a significant presence in global derivative markets through offering a full range of derivative products and continues to develop new products in response to the needs of its customers and changes in underlying markets. The business is managed as a part of the Global Markets and Investment Banking and Capital Markets Divisions of Credit Suisse AG. For more information on CSi's principal markets and activities, see sub-sections "Profile" on page 8 and "Principal business areas" on page 9 of the 2017 CSi Annual Report (as defined in the CSi Registration Document), which is incorporated by reference in the CSi Registration Document.

The liquidity and capital requirements of CSi are managed as an integral part of the wider Credit Suisse framework. This includes the local regulatory liquidity and capital requirements in the UK

Organisational Structure

The subsidiaries of CSi which are consolidated in the financial statements contained in the 2017 CSi Annual Report (as defined in the CSi Registration Document) are listed under sub-section "Composition of the CSi Group" on pages 89 to 91 of the 2017 CSi Annual Report (as defined in the CSi Registration Document). For information on CSi's relationship to CSG, see page 8 of the 2017 CSi Annual Report (as defined in the CSi Registration Document).

Material Adverse Change and Significant Change

There has been no significant change in the financial position of CSi and its consolidated subsidiaries since 31 December 2017.

There has been no material adverse change in the prospects of CSi and its consolidated subsidiaries since 31 December 2017.

See pages 12 and 131 to 143 of the 2017 CSi Annual Report, and the "Risk Factors" section of the Listing Supplement and its Supplements that together disclose the principal risks to CSi.

Please see "Operating Environment" on pages 54 to 56 of CSG Annual Report 2017 and "Economic environment" on pages 9 to 10 of the 2017 CSi Annual Report for information relating to the economic environment that may affect the future results of operations or financial condition of CSG and its consolidated subsidiaries, including CSi.

Names and Addresses of Directors and Executives

The business address of the members of the Board of Directors is One Cabot Square, London E14 4QJ.

The current members of the Board of Directors, their role within CSi and their principal activities outside CSi, if any, are as follows:

Board Member	External Activities
Noreen Doyle (Non- Executive Chair)	<ul style="list-style-type: none"> o Independent member and Chair of the Board of Directors, the Nomination and the Advisory Remuneration Committee, independent member of the Risk Committee of CSi and Credit Suisse Securities (Europe) Limited. o Ms. Doyle is also: <ul style="list-style-type: none"> ▪ Chair of the Board of Directors, Chair of the Corporate Governance and Nominating Committee and of the Executive-Finance Committee and Member of the Safety & Sustainability Committee of Newmont Mining Corporation.
Paul Ingram	<ul style="list-style-type: none"> o Managing Director in the CRO division of CSi. o Mr. Ingram is also Chief Risk Officer of CSi and Credit Suisse Securities (Europe) Ltd. o Member of the Board of Directors of Credit Suisse Securities (Europe) Limited.
Christopher Horne	<ul style="list-style-type: none"> o Managing Director in the CFO division and Chair of the Disclosure Committee of CSi. o Mr. Horne is also Deputy CEO of CSi and Credit Suisse Securities (Europe) Ltd. o Member of the Board of Directors of Credit Suisse Securities (Europe) Limited, Credit Suisse Investment Holdings (UK) and Credit Suisse Investments (UK).
Alison Halsey (Non-Executive)	<ul style="list-style-type: none"> o Independent member of the Board of Directors, Chair of the Audit and the Conflicts Committee and Member of the Risk and the Nomination Committee of CSi and Credit Suisse Securities (Europe) Limited. o Ms. Halsey is also: <ul style="list-style-type: none"> ▪ Non-executive Director and Member of the Risk, Compliance and Nominations Committees and Chair of the Audit Committee of Aon UK Limited.
David Mathers (CEO)	<ul style="list-style-type: none"> o Managing Director in the CFO division of Credit Suisse AG.

	<ul style="list-style-type: none"> o Mr. Mathers is also CEO of CSi and Credit Suisse Securities (Europe) Ltd and CFO of Credit Suisse AG. o Member of the Board of Directors of Credit Suisse Securities (Europe) Limited.
Robert Endersby (Non-Executive)	<ul style="list-style-type: none"> o Independent member of the Board of Directors, Chair of the Risk Committee and Member of the Audit, the Advisory Remuneration and the Conflicts Committee of CSi and Credit Suisse Securities (Europe) Limited. o Mr. Endersby is also Non-executive Director, Chair of Risk Committee, Member of Audit Committee, Remuneration Committee and Disclosure Committee of Tesco Personal Finance Group Limited and Tesco Personal Finance Plc.
Caroline Waddington	<ul style="list-style-type: none"> o Managing Director in the CFO division of CSi. o Ms. Waddington is also Regional CFO for Credit Suisse UK Regulated Entities including CSi and Chair of the UK Pension Committee. o Member of the Board of Directors of Credit Suisse Securities (Europe) Limited and a Member of the Board of Directors of Credit Suisse Investment Holdings (UK) and Credit Suisse Investments (UK). o Ms. Waddington is a member of the Board of Directors of: <ul style="list-style-type: none"> ▪ NameCo (No. 357) Limited; ▪ Roffey Park Institute Limited; and ▪ Brook House (Clapham Common) Management Company Limited.
John Devine (Non-Executive)	<ul style="list-style-type: none"> o Independent member of the Board of Directors, the Audit, the Nomination and the Conflicts Committee of CSi and Credit Suisse Securities (Europe) Limited. o Mr. Devine is also: <ul style="list-style-type: none"> ▪ Non-Executive Director, Chair of Audit Committee, Member of Risk Committee and Remuneration Committee of Standard Life Aberdeen PLC. ▪ Non-Executive Director, Chair of Audit Committee, Member of Risk Committee and Nominations Committee of Citco Custody (UK) Ltd and Citco Custody Holding Ltd Malta.
Jonathan Moore	<ul style="list-style-type: none"> o Managing Director in the Fixed Income Department within the Investment Banking Division of CSi. o Mr Moore is also Co-Head of Global Credit Products in EMEA and Head of EMEA Credit Trading and Global Derivatives. o Member of the Board of Directors of Credit Suisse Securities (Europe) Limited.
Michael Dilorio	<ul style="list-style-type: none"> o Managing Director in the Global Markets division of CSi. o Mr Dilorio is also Head of EMEA Equities which includes Cash Equities, Syndicate, Convertibles, Prime Services and Equity Derivatives.

	<ul style="list-style-type: none"> o Member of the Board of Directors of Credit Suisse Securities (Europe) Limited.
Andreas Gottschling (Non-Executive)	<ul style="list-style-type: none"> o Independent member of the Board of Directors, the Risk Committee and Advisory Remuneration Committee of CSi and Credit Suisse Securities (Europe) Limited. o Mr. Gottschling is also a member of the Board of Directors and the Risk Committee of Credit Suisse AG and CSG.

Pages 1-9 and 27-28 of the 2017 CSi Annual Report provide further information on CSi's Board of Directors.

Legal and Arbitration Proceedings

During the period of 12 months ending on the date of this Supplement to Listing Supplement there have been no governmental, legal or arbitration proceedings which may have, or have had in the past, significant effects on the financial position or profitability of CSi and CSi is not aware of any such proceedings being either pending or threatened, except as disclosed in the 2017 CSi Annual Report (under the heading Contingent Liabilities and Other Commitments on page 89) and below:

- CSi is the defendant in German court litigation brought by Stadtwerke Munchen GmbH, a German water utility company (the "**claimant**"). The litigation relates to a series of interest rate swaps entered into between 2008 and 2012. The claimant alleges breach of an advisory duty to provide both investor- and investment-specific advice, including in particular a duty to disclose the initial mark-to-market value of the trades at inception. The claimant seeks damages of EUR 58 million, repayment of EUR 85 million of collateral held by CSi and release from all future obligations under the trades. Witness hearings took place in June – October 2017 and January 2018. A further hearing has been scheduled for April 2018.
- Credit Suisse is responding to requests from regulatory and enforcement authorities related to Credit Suisse's arrangement of loan financing to Mozambique state enterprises, Proindicus S.A. and Empresa Mocambiacana de Atum S.A. (EMATUM), a distribution to private investors of loan participation notes (LPN) related to the EMATUM financing in September 2013, and Credit Suisse's subsequent role in arranging the exchange of those LPNs for Eurobonds issued by the Republic of Mozambique. Credit Suisse has been cooperating with the authorities on this matter.

Provision for litigation is disclosed in Note 26 to the consolidated financial statements on page 70 of the 2017 CSi Annual Report.

Auditor

CSi's auditor is KPMG LLP, 15 Canada Square, London E14 5GL. KPMG LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

Further information on CSi's auditor may be found on pages 28 to 33 of the 2017 CSi Annual Report.

Financial Information

Financial information relating to CSi is contained in its Annual Reports for the years ended 31 December 2016 and 31 December 2017 (the "**CSi Annual Reports**") which are incorporated by reference in the CSi Registration Document. Financial information in the CSi Annual Reports has been audited. CSi's Annual Reports are available to the public on the CSG website at <https://www.credit-suisse.com/ch/en/investment-banking/financial-regulatory/international.html>.

TAXATION

The first four paragraphs of this section shall be updated by the following four paragraphs and the new section entitled "UNITED STATES" shall be added after the section entitled "UNITED KINGDOM" under "TAXATION".

THIS SECTION SUPERSEDES THE SECTION HEADED "TAXATION" IN THE PROGRAMME MEMORANDUM SET OUT IN ANNEX 1 (PROGRAMME MEMORANDUM).

The following is an overview of the withholding tax position in respect of payments of the income from the Securities by the Issuer (or an agent appointed by it) in accordance with the terms and conditions of such Securities ("**Relevant Payments**"). It is limited to the country of incorporation of the Issuer (the "**Relevant Taxing Jurisdiction**") and the United States.

It does not relate to any other tax consequences or to withholdings in respect of payments by other persons (such as custodians, depositaries or other intermediaries) unless otherwise specified. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from holding the Securities.

All payments in respect of the Securities by the Issuer or by an agent appointed by such Issuer will be subject to any applicable withholding taxes. However, as at the date hereof, no such taxes would be applicable in respect of any Relevant Payments in the Relevant Taxing Jurisdiction, except as specified below in relation to the countries so specified.

UNITED STATES

The following is a summary of certain of the material U.S. federal income tax consequences of the acquisition, ownership and disposition of Securities by a "**Non-U.S. Holder**" (as defined below) that has no connection with the United States other than owning Securities. For purposes of this section, a Non-U.S. Holder means a beneficial owner of the Securities that for U.S. federal income tax purposes is a non-resident alien individual, a foreign corporation or a foreign estate or trust. If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds Securities, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Prospective purchasers that are partnerships should consult their tax advisors regarding the tax consequences to their partners of an investment in the Securities.

This summary is based on interpretations of the United States Internal Revenue Code of 1986 (the "**Code**"), Treasury regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any of those changes may be applied retroactively and may adversely affect the U.S. federal income tax consequences described herein. Investors considering the purchase of Securities should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Securities arising under the laws of any other taxing jurisdiction.

INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SECURITIES.

U.S. Foreign Account Tax Compliance Act

Under certain provisions of the "Hiring Incentives to Restore Employment Act," generally referred to as "FATCA," and regulations thereunder, a 30% withholding tax is imposed on "withholdable payments" and certain "passthru payments" made to "foreign financial institutions" (as defined in the regulations or an applicable intergovernmental agreement) (and their more than 50% affiliates) unless the payee foreign financial institution agrees, among other things, to disclose the identity of any U.S. individual with an account at the institution (or the institution's affiliates) and to annually report certain information about such account. The term "withholdable payments" generally includes (1) payments of fixed or determinable annual or periodical gains, profits, and income ("**FDAP**"), in each case, from sources within the United

States, and (2) gross proceeds from the sale of any property of a type which can produce interest or dividends from sources within the United States. "Passthru payments" means any withholdable payment and any foreign passthru payment. To avoid becoming subject to the 30% withholding tax on payments to it, a financial institution may be required to report information to the IRS regarding the holders of the Securities. In the case of holders who (i) fail to provide the relevant information, (ii) are foreign financial institutions who have not agreed to comply with these information reporting requirements, or (iii) hold the Securities directly or indirectly through such noncompliant foreign financial institutions, a payor may be required to withhold on a portion of payments under the Securities.

FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. If payments on the Securities are determined to be from sources within the United States, such payments will be treated as withholdable payments for these purposes. Withholding under FATCA will apply to all withholdable payments and certain passthru payments without regard to whether the beneficial owner of the payment is a U.S. person, or would otherwise be entitled to an exemption from the imposition of withholding tax pursuant to an applicable tax treaty with the United States or pursuant to U.S. domestic law. Unless a foreign financial institution is the beneficial owner of a payment, it will be subject to refund or credit in accordance with the same procedures and limitations applicable to other taxes withheld on FDAP payments provided that the beneficial owner of the payment furnishes such information as the IRS determines is necessary to determine whether such beneficial owner is a U.S.-owned foreign entity and the identity of any substantial U.S. owners of such entity. If such withholding applies, the Issuer will not be required to pay any additional amounts with respect to amounts withheld.

Subject to the exceptions described below, FATCA's withholding regime generally applies or will apply to (i) withholdable payments; (ii) payments of gross proceeds from a sale or disposition of property of a type that can produce U.S. source interest or dividends occurring after December 31, 2018; and (iii) foreign passthru payments made after the later of December 31, 2018, or the date that final regulations defining the term "foreign passthru payment" are published. Notwithstanding the foregoing, the provisions of FATCA discussed above generally will not apply to any obligation (other than an instrument that is treated as equity for U.S. tax purposes or that lacks a stated expiration or term) that is outstanding on June 30, 2014 (a "**grandfathered obligation**"), unless the obligation is materially modified after such date. If a Non-U.S. Holder holds its Securities through a foreign financial institution or foreign entity, a portion of any of such Non-U.S. Holder's payments may be subject to 30% withholding. The Issuer will not be required to pay any additional amounts with respect to amounts withheld.

Substitute Dividend and Dividend Equivalent Payments

The Code and regulations thereunder treat a "dividend equivalent" payment as a dividend from sources within the United States. Such payments generally will be subject to U.S. withholding tax at a rate of 30%. A "dividend equivalent" payment is defined under the Code as (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" (a "specified NPC") that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in the preceding clauses (i) and (ii).

Final regulations provide that a dividend equivalent is any payment or deemed payment that references the payment of (i) a dividend from an underlying security pursuant to a securities lending or sale-repurchase transaction, (ii) a dividend from an underlying security pursuant to a specified NPC, (iii) a dividend from an underlying security pursuant to a specified equity-linked instrument (a "**specified ELI**"), and (iv) any other substantially similar payment. The regulations provide that a payment includes a dividend equivalent payment whether there is an explicit or implicit reference to a dividend with respect to the underlying security. An underlying security is any interest in an entity if a payment with respect to that interest could give rise to a U.S. source dividend pursuant to Treasury regulation section 1.861-3. An NPC is a notional principal contract as defined in Treasury regulation section 1.446-3(c). An equity-linked instrument ("**ELI**") is a financial instrument (other than a securities lending or sale-repurchase transaction or an NPC) that references the value of one or more underlying securities, including a futures contract,

forward contract, option, debt instrument, or other contractual arrangement. A "section 871(m) transaction" is any securities lending or sale-repurchase transaction, specified NPC, or specified ELI.

For any payment made on or after January 1, 2017 with respect to any transaction issued on or after January 1, 2017 and before January 1, 2019, any NPC or ELI that has a delta of one with respect to an underlying security when the NPC or ELI is issued is a specified NPC or specified ELI, respectively. For any payment made on or after January 1, 2019 with respect to any transaction issued on or after January 1, 2019, (a) a "simple" NPC or "simple" ELI that has a delta of 0.8 or greater with respect to an underlying security when the NPC or ELI is issued is a specified NPC or specified ELI, respectively, and (b) a "complex" NPC or "complex" ELI that meets a substantial equivalence test with respect to an underlying security at the time of issuance is a specified NPC or specified ELI, respectively. The delta of a simple contract is determined, and the substantial equivalence test for a complex contract is performed, on the earlier of the date that the potential section 871(m) transaction is priced and the date when the potential section 871(m) transaction is issued; however, the issue date must be used if the potential section 871(m) transaction is priced more than 14 calendar days before it is issued. In addition, the delta or substantial equivalence of Securities that are held in inventory prior to their sale to an investor may, in certain cases, be required to be retested at the time of sale or disposition from inventory. If Securities sold from inventory are determined to be section 871(m) transactions and the same series of Securities sold at issuance were determined not to be section 871(m) transactions, holders of Securities sold at issuance may be adversely affected to the extent the Issuer or a withholding agent does not, or is unable to, identify and distinguish Securities sold to investors at issuance from those sold out of inventory.

Certain events could cause previously issued Securities to be deemed to be issued as new Securities for purposes of the effective dates provided in the regulations. For example, it is possible that the IRS could assert that a reconstitution or rebalancing of an underlying index or a basket of Securities is a significant modification of the Securities due to an exercise of discretion with respect to such reconstitution or rebalancing and, therefore, a deemed issuance of the Securities upon the occurrence of such event. It is also possible that U.S. withholding tax could apply to the Securities under these rules if a holder enters, or has entered, into certain other transactions in respect of the underlying equity or the Securities. A holder that enters, or has entered, into other transactions in respect of the underlying or the Securities should consult its own tax advisor regarding the application of section 871(m) to its Securities in the context of its other transactions.

Withholding on payments will be based on actual dividends or, if otherwise notified by the Issuer in accordance with applicable regulations, on estimated dividends used in pricing the Security. If a Security provides for any payments in addition to estimated dividends to reflect dividend amounts on the underlying security, withholding will be based on the total payments. If an issue of Securities is a section 871(m) transaction, information regarding the amount of each dividend equivalent, the delta of the potential 871(m) transaction, the amount of any tax withheld and deposited, the estimated dividend amount and any other information necessary to apply the regulations in respect of such Securities will be provided, communicated, or made available to holders of the Securities in a manner permitted by the applicable regulations. Withholding tax may apply even where holders do not receive a concurrent payment on the Securities in respect of dividends on the underlying. U.S. tax will be withheld on any portion of a payment or deemed payment (including, if appropriate, the payment of the purchase price) that is a dividend equivalent.

If withholding applies, the rate of any withholding may not be reduced even if the holder is otherwise eligible for a reduction under an applicable treaty, although holders that are entitled to a lower rate of withholding under a tax treaty may be able to claim a refund for any excess amounts withheld by filing a U.S. tax return. However, holders may not receive the necessary information to properly claim a refund for any withholding in excess of the applicable treaty-based amount. In addition, the IRS may not credit a holder with withholding taxes remitted in respect of its Security for purposes of claiming a refund. Finally, a holder's resident tax jurisdiction may not permit the holder to take a credit for U.S. withholding taxes related to the dividend equivalent amount. The Issuer will not pay any additional amounts with respect to amounts withheld.

The relevant Pricing Supplement may indicate if the Issuer has determined that a Security is a transaction subject to withholding under section 871(m). Although the Issuer's determination generally is binding on holders, it is not binding on the IRS. The IRS may successfully argue that a Security is subject to

withholding under section 871(m), notwithstanding the Issuer's determination to the contrary. These regulations are extremely complex. Non-U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences to them of these regulations and whether payments or deemed payments on the Securities constitute dividend equivalent payments.

Foreign Investment in U.S. Real Property

A Non-U.S. Holder may be subject to U.S. federal income tax on a disposition of a "U.S. real property interest" as defined in Treasury Regulations section 1.897-1(c) (a "**USRPI**"). Any gain on such disposition is treated as effectively connected with a U.S. trade or business of the non-U.S. holder and is subject to tax and withholding on the amount realized on the disposition. A USRPI may consist of a direct interest in U.S. real property or an interest in a United States real property holding corporation (a "**USRPHC**") within the meaning of section 897 of the Code. However, an interest in a USRPHC that does not exceed generally 5% of the corporation's regularly traded stock is not a USRPI.

Thus, a Non-U.S. Holder who owns directly, indirectly or constructively, shares of any of the underlying that are considered to be a USRPI, or other interests having a return based on the appreciation in the value of, or in the gross or net proceeds or profits generated by, such underlying, may be subject to U.S. federal income tax on the sale or exchange of the Securities if such Non-U.S. Holder owns more than generally 5% of the shares of such underlying when considering the shares or interests of such underlying that are directly, indirectly or constructively owned by such Non-U.S. Holder. Ownership of the Securities may also impact the taxation of such other shares or interests.

The Issuer does not intend to determine whether the issuer of shares in any underlying is a USRPHC. It is possible that the issuer of shares in an underlying is a USRPHC, and that the Securities constitute an ownership interest in or an option on a USRPI, with the consequences described above. It is also possible that the issuer of shares in such underlying is not a USRPHC. In making its investment decision, a Non-U.S. Holder should be prepared to accept the tax treatment that results from either the underlying being treated as a USRPI or from the underlying not being a USRPI.

Each Non-U.S. Holder, in connection with acquiring the Securities, is deemed to represent that it does not own, and will not own, more than 5% of the shares of each of the underlying that is considered to be a USRPHC, either directly, indirectly or constructively. The Issuer and any withholding agent will rely on the accuracy of this representation. For purposes of this discussion, any interest other than solely as a creditor within the meaning of Treasury Regulations Section 1.897-1(d) shall be treated as ownership of shares of the underlying. Even if the Issuer does not withhold, there can be no assurances that an intermediary withholding agent will not withhold in respect of a Security. Further, holders may have U.S. income tax liability that exceeds amounts withheld, if any. The Issuer will not make any additional payments for any amounts withheld or tax liability arising under section 897 of the Code.

Holders should consult their own tax advisors on the impact of other shares or interests in the underlying, the impact of ownership of the Securities on such other shares or interests, and the consequences of making the representation in the preceding paragraph.

U.S. Federal Estate Tax Treatment

A Security may be subject to U.S. federal estate tax if an individual holds the Security at the time of his or her death. The gross estate of a Non-U.S. Holder domiciled outside the United States includes only property situated in the United States. Holders should consult their tax advisors regarding the U.S. federal estate tax consequences of holding the Securities at death.

Backup Withholding and Information Reporting

A Non-U.S. Holder of the Securities may be subject to backup withholding with respect to certain amounts paid to such holder unless it provides a correct taxpayer identification number, complies with certain certification procedures establishing that it is not a U.S. person or establishes proof of another applicable exemption, and otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. A Non-U.S. Holder can claim a credit against its U.S. federal income tax liability for amounts withheld under the backup withholding rules, and amounts in excess of its liability

are refundable if such holder provides the required information to the IRS in a timely fashion. A Non-U.S. Holder of the Securities may also be subject to information reporting to the IRS with respect to certain amounts paid to such holder unless it (1) provides a properly executed IRS Form W-8 (or other qualifying documentation) or (2) otherwise establishes a basis for exemption. If such withholding applies, the Issuer will not be required to pay any additional amounts with respect to amounts withheld.