



Credit Suisse Group (Guernsey) IV Limited

(incorporated with limited liability in Guernsey, Channel Islands)

CHF 750,000,000 7.125 per cent. Tier 2 Buffer Capital Notes due 2022

irrevocably guaranteed on a subordinated basis by

Credit Suisse Group AG

(incorporated with limited liability in Switzerland)

The CHF 750,000,000 7.125 per cent. Tier 2 Buffer Capital Notes due 2022 (the “Tier 2 BCNs”) will be issued by Credit Suisse Group (Guernsey) IV Limited (the “Issuer”) and guaranteed on a subordinated basis by Credit Suisse Group AG (“CSG” or the “Guarantor”). Interest on the Tier 2 BCNs will accrue from (and including) 22 March 2012 (the “Issue Date”) to (but excluding) 22 March 2017 (the “First Optional Redemption Date”) at an initial rate of 7.125 per cent. per annum and from (and including) the First Optional Redemption Date to (but excluding) 22 March 2022 (the “Final Maturity Date”) at a rate equal to the Mid Swap Rate (as defined herein) plus 6.685 per cent. Interest will be payable annually in arrear on 22 March in each year, commencing on 22 March 2013. Payments on the Tier 2 BCNs will be made without deduction for or on account of taxes of the Island of Guernsey or Switzerland to the extent described herein under “Terms and Conditions of the Tier 2 BCNs — Taxation”.

Unless previously redeemed, purchased and cancelled or converted as described below, the Tier 2 BCNs will mature on the Final Maturity Date but, subject to the satisfaction of certain conditions described herein and applicable law, may be redeemed prior to that date, at the option of the Issuer, on the First Optional Redemption Date, in whole or in part, at their principal amount plus accrued but unpaid interest thereon. The Tier 2 BCNs are also subject to redemption in whole, but not in part, at amounts specified herein at the option of the Issuer, upon the occurrence of a Tax Event, a Capital Event or a Takeover Event (each as defined herein), as more particularly described in “Terms and Conditions of the Tier 2 BCNs — Redemption, Substitution, Variation and Purchase”. The Tier 2 BCNs and the guarantee of the Tier 2 BCNs by CSG (the “Guarantee”) will constitute direct, unsecured and subordinated obligations of the Issuer and CSG, respectively, 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 Tier 2 BCNs — Status and Subordination of the Tier 2 BCNs — Subordination” and “Terms and Conditions of the Tier 2 BCNs — Guarantee; Status and Subordination”.

If a Contingency Event or a Viability Event (each as defined herein) occurs, the Tier 2 BCNs shall, subject to the satisfaction of certain conditions, mandatorily convert into Ordinary Shares (as defined herein) which shall be delivered to the Settlement Shares Depository (as defined herein) on behalf of the Holders, as more particularly described in “Terms and Conditions of the Tier 2 BCNs — Conversion”. In the event of a Contingency Event Conversion (as defined herein), such Ordinary Shares may, at the election of CSG, be offered for sale in a Settlement Shares Offer as described herein.

The Tier 2 BCNs are expected to be provisionally admitted to trading on the SIX Swiss Exchange from 20 March 2012. The last trading day will be the third dealing day prior to the date on which the Tier 2 BCNs are fully redeemed or converted in accordance with the Terms and Conditions of the Tier 2 BCNs. Application will be made to the SIX Swiss Exchange for listing of the Tier 2 BCNs.

The Tier 2 BCNs shall be in denominations of CHF 5,000 and integral multiples thereof. The Tier 2 BCNs and all rights in connection therewith will be documented in the form of a Permanent Global Certificate which shall be deposited with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange, as more particularly described herein under “Terms and Conditions of the Tier 2 BCNs”. Holders will not have the right to request printing and physical delivery of individually certificated Tier 2 BCNs.

The Tier 2 BCNs are expected upon issue to be rated BBB- by Fitch Ratings Ltd. 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 Tier 2 BCNs involves certain risks. For a discussion of certain of these risks, see “Risk Factors”.

Credit Suisse AG (the “Lead Manager” or “Credit Suisse”), the Issuer and the Guarantor have entered into a Purchase Agreement dated 20 March 2012 relating to the purchase of the Tier 2 BCNs from the Issuer.

Lead Manager

Credit Suisse

Co-Lead Managers

**Bank Julius Baer & Co. Ltd.
Lombard Odier & Cie**

**Bank Sarasin & Co. Ltd.
Raiffeisen Schweiz Genossenschaft**

**Bank Vontobel AG
Zurich Cantonalbank**

This Prospectus may only be used for the purposes for which it has been published.

Each of the Issuer and the Guarantor (the “Responsible Persons”) accepts responsibility for all information contained in this Prospectus and confirm that the information in this Prospectus is correct to the best of their knowledge and that no material facts or circumstances have been omitted.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

The Managers (as defined herein under “Subscription and Sale”) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Tier 2 BCNs.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Tier 2 BCNs and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or the Managers.

To the fullest extent permitted by law, each Manager accepts no responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Tier 2 BCNs. The Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Prospectus or any such statement.

Neither this Prospectus nor any other information supplied in connection with the Tier 2 BCNs (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or the Managers that any recipient of this Prospectus or any other information supplied in connection with the Tier 2 BCNs should purchase any Tier 2 BCNs. Each investor contemplating purchasing any Tier 2 BCNs should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Prospectus nor any other information supplied in connection with the issue of the Tier 2 BCNs constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or the Managers to any person to subscribe for or to purchase any Tier 2 BCNs or Ordinary Shares.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Tier 2 BCNs or Ordinary Shares shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue of the Tier 2 BCNs is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Tier 2 BCNs or to advise any investor in the Tier 2 BCNs of any information coming to its attention.

The Tier 2 BCNs and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). Subject to certain exceptions, the Tier 2 BCNs may not be offered, sold or delivered within the United States or U.S. persons (see “Subscription and Sale”).

EACH PURCHASER OF THE TIER 2 BCNS MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE TIER 2 BCNS OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL, OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE TIER 2 BCNS UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NEITHER THE ISSUER NOR THE MANAGER SHALL HAVE ANY RESPONSIBILITY THEREFOR.

The Tier 2 BCNs may not be offered or sold to or held by any person resident for the purposes of the Income Tax (Guernsey) Law 1975 in the Islands of Guernsey, Alderney or Herm, Channel Islands.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Tier 2 BCNs in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of the Tier 2 BCNs may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Tier 2 BCNs may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Managers which is intended to permit a public offering of any Tier 2 BCNs or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Tier 2 BCNs may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Tier 2 BCNs may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Tier 2 BCNs. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Tier 2 BCNs in the United States, the United Kingdom, European Economic Area, Republic of Italy, France, Guernsey, Singapore, Hong Kong, Republic of China, People's Republic of China and Japan, see "Subscription and Sale".

All references in this document to "francs" or "CHF" refer to Swiss francs and to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended. In addition, all references to "Sterling" and "£" refer to pounds sterling and to "U.S. dollars", "USD", "U.S.\$" and "\$" refer to United States dollars.

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SUMMARY

This summary must be read as an introduction to this Prospectus and any decision to invest in the Tier 2 BCNs should be based on a consideration of this Prospectus as a whole, including the documents incorporated herein by reference.

Words and expressions defined in “Terms and Conditions of the Tier 2 BCNs” shall have the same meanings when used in this summary.

Issuer	Credit Suisse Group (Guernsey) IV Limited. The Issuer is a non-cellular company incorporated in Guernsey limited by shares and is wholly-owned by the Guarantor. It exists for the purpose of issuing debt securities, the proceeds of which will be advanced to, or otherwise invested in, subsidiaries or affiliates of the Guarantor.
Guarantor	Credit Suisse Group AG (“CSG”). CSG is a global financial services company domiciled in Switzerland.
Tier 2 BCNs	CHF 750,000,000 7.125 per cent. Tier 2 Buffer Capital Notes due 22 March 2022.
Risk Factors	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Tier 2 BCNs. There are also certain factors that may affect the Guarantor’s ability to fulfil its obligations under the Guarantee. Certain of these factors are set out under “Risk Factors” below and include liquidity risks, market risks, credit risks, cross-border and foreign exchange risks, operational risks, legal and regulatory risks and competition risks, among others. In addition, there are certain factors, which are material for the purpose of assessing the risks associated with the Tier 2 BCNs. These include the fact that the Tier 2 BCNs may not be a suitable investment for all investors, certain risks relating to the structure of the Tier 2 BCNs including that they are mandatorily convertible into Ordinary Shares on the occurrence of a Contingency Event or Viability Event and certain market risks.
Managers	Credit Suisse AG, Bank Julius Baer & Co. Ltd., Bank Sarasin & Co. Ltd., Bank Vontobel AG, Lombard Odier & Cie, Raiffeisen Schweiz Genossenschaft, Zurich Cantonalbank.
Paying and Conversion Agent	Credit Suisse AG.
Currency	Swiss francs.
Maturity	Unless previously redeemed, purchased and cancelled or converted, the Tier 2 BCNs mature on 22 March 2022.
Issue Price	101.000 per cent.

Form of Tier 2 BCNs	<p>Bearer. The Tier 2 BCNs and all rights in connection therewith are documented in the form of a Permanent Global Certificate which shall be deposited by the Paying and Conversion Agent with SIX SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIX SIS or any such other intermediary, the “Intermediary”). Once the Permanent Global Certificate is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Tier 2 BCNs will constitute intermediated securities (<i>Bucheffekten</i>) (Intermediated Securities) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (<i>Bucheffektengesetz</i>).</p> <p>The conversion of the Permanent Global Certificate into uncertificated securities (<i>Wertrechte</i>) or individually certificated securities (<i>Wertpapiere</i>) is excluded. Neither the Issuer nor the Holders nor the Paying and Conversion Agent nor any other party shall at any time have the right to effect or demand the conversion of the Permanent Global Certificate into, or the delivery of, uncertificated securities (<i>Wertrechte</i>) or individually certificated securities (<i>Wertpapiere</i>). No physical delivery of the Tier 2 BCNs shall be made.</p>
Denominations	CHF 5,000 and integral multiples thereof.
Interest	<p>The Tier 2 BCNs will bear interest at an initial rate of 7.125 per cent. per annum from (and including) the Issue Date to (but excluding) the First Optional Redemption Date and thereafter at a rate equal to the Mid Swap Rate plus 6.685 per cent.</p>
Interest Payment Dates	<p>Interest will be payable annually in arrear on 22 March in each year, commencing on 22 March 2013.</p>
Optional Redemption	<p>Unless previously converted, and provided neither a Contingency Event nor a Viability Event has occurred and subject to certain conditions as described herein under “Terms and Conditions of the Tier 2 BCNs – Redemption, Substitution, Variation and Purchase”, the Tier 2 BCNs will be redeemable at the option of the Issuer, upon giving not less than 30 days’ notice (in the case of (iv) below not less than 20 days’ notice) to the Holders notifying the date fixed for redemption, in the following circumstances:</p> <ul style="list-style-type: none"> (i) at their principal amount plus accrued but unpaid interest, in whole or in part on the First Optional Redemption Date; or (ii) at their principal amount plus accrued but unpaid interest thereon, in whole but not in part if a Tax Event occurs; or (iii) at the Capital Event Redemption Amount plus accrued but unpaid interest thereon, in whole but not in part if a Capital Event occurs; or (iv) at the Takeover Event Redemption Amount plus accrued

	<p>but unpaid interest thereon, in whole but not in part if a Takeover Event occurs.</p>
Substitution or Variation	<p>If a Tax Event or a Capital Event has occurred and is continuing, the Issuer may, subject to certain conditions as described herein under “Terms and Conditions of the Tier 2 BCNs – Redemption, Substitution, Variation and Purchase”, at its option and without any requirement for the consent or approval of the Holders, either substitute all (but not some only) of the Tier 2 BCNs for, or vary all (but not some only) of the terms of the Tier 2 BCNs so that the Tier 2 BCNs remain or, as appropriate, become, Compliant Securities as more particularly described in “Terms and Conditions of the Tier 2 BCNs – Redemption, Substitution, Variation and Purchase”.</p>
Conversion	<p>If a Contingency Event or Viability Event occurs, and subject to the satisfaction of certain conditions, the Tier 2 BCNs shall be mandatorily converted into Ordinary Shares to be delivered to the Settlement Shares Depository on behalf of the Holders, as more particularly described in “Terms and Conditions of the Tier 2 BCNs – Conversion”. Receipt by the Settlement Shares Depository of the Settlement Shares and the payment in cash of any and all accrued (and due) but unpaid interest on such Tier 2 BCNs from (and including) the Issue Date to (but excluding) the date on which the Contingency Event Notice or, as the case may be, the Viability Event Notice is published, shall be a good and complete discharge of the Issuer’s obligations in respect of the Tier 2 BCNs and CSG’s obligations in respect of the Guarantee. The Tier 2 BCNs are not convertible into Ordinary Shares at the option of the Holders at any time.</p>
Contingency Event	<p>Contingency Event means that the Issuer or CSG has given a Contingency Event Notice. “Contingency Event Notice” means the notice that the Issuer or CSG shall give to the Holders stating that (i) the Capital Ratio is below the Threshold Ratio, in each case as at the date of the financial statements contained in the Quarterly Financial Report published on, or most recently prior to, the date of the Contingency Event Notice and (ii) a Contingency Event Conversion will take place.</p> <p>The Issuer or CSG shall give any such Contingency Event Notice no later than the fifth Business Day after the date of publication of the relevant Quarterly Financial Report and shall deliver to the Paying and Conversion Agent a notice stating the terms of the consequent Contingency Event Conversion.</p> <p>The Contingency Event Notice shall specify the circumstances giving rise to the Contingency Event, the Conversion Price and the Contingency Event Conversion Settlement Date and details of the arrangement for the settlement of the Contingency Event Conversion, including whether or not there is to be a Settlement</p>

Shares Offer.

No Contingency Event Notice shall be given, and no Contingency Event Conversion shall therefore occur, if, notwithstanding the Capital Ratio being below the Threshold Ratio, either (a) the Regulator, at the request of CSG, has agreed on or prior to the publication of the relevant Quarterly Financial Report that a Contingency Event Conversion shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the Capital Ratio to a level above the Threshold Ratio that the Regulator and CSG deem, in their absolute discretion, to be adequate at such time or (b) at the relevant time, a Basel III Implementation Event (as described herein under “Terms and Conditions of the Tier 2 BCNs – Conversion upon a Contingency Event or a Viability Event” applies.

Viability Event

Viability Event means that:

(a) the Regulator has notified CSG that it has determined that Conversion of the Tier 2 BCNs, together with the conversion or write off of holders’ claims in respect of any other 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 off at that time 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; or (c) the Capital Ratio contained in any Interim Capital Report is below 5 per cent. and as a consequence the conversion into equity or write off of any or all Progressive Capital Instruments in issue at such time occurs or, in the determination of the Regulator, would have occurred but for Conversion of the Tier 2 BCNs and the conversion or write off of all other Buffer Capital Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time.

Conversion Price

The Tier 2 BCNs will be converted into a number of Ordinary Shares determined by dividing the principal amount of each Tier 2 BCN by the Conversion Price in effect on the relevant Conversion Date.

“Conversion Price” means (i) at any time when the Ordinary Shares are admitted to trading on a Recognised Stock Exchange, in respect of any Conversion Date, the greatest of (a) the Reference Market Price of an Ordinary Share on the fifth Zurich Business Day prior to the date of the relevant Contingency Event Notice or, as the case may be, the Viability Event Notice, (b) the Floor Price on the fifth Zurich Business Day prior to the date of the Contingency Event Notice or, as the case may be, the Viability Event Notice; and (c) the nominal value of each Ordinary Share on the Share Creation Date (being, at the Issue Date, CHF 0.04), or (ii) without prejudice to “Takeover Event and De-listing” below, at any time when the Ordinary Shares are not admitted to trading on a Recognised Stock Exchange by reason of a Non-Qualifying Takeover Event or otherwise, the greater of (b) and (c) above.

Settlement Shares Offer in relation to Contingency Event Conversion

In respect of a Contingency Event Conversion only, following receipt by the Settlement Shares Depositary of the Ordinary Shares as aforesaid, the Issuer may, in its sole and absolute discretion, appoint a Settlement Shares Offer Agent to conduct a Settlement Shares Offer at, or above, the Conversion Price, to some or all of the shareholders of CSG then eligible to participate in such offer, as more particularly described in “Terms and Conditions of the Tier 2 BCNs – Conversion – Procedure for Delivery in respect of a Conversion”.

Holders shall be entitled to receive, in respect of each Ordinary Share to which they are otherwise entitled, cash proceeds received from the Settlement Shares Offer in an amount equal to the Conversion Price (with any proceeds above the Conversion Price being paid by the Settlement Shares Offer Agent to CSG) and, in the event that the Settlement Shares Offer is only partially subscribed by or before the end of the Offer Settlement Period, shall be entitled to receive cash proceeds equal to the Conversion Price per Ordinary Share sold together with any Ordinary Shares not sold, in each case on a pro rata basis. In the event that no Ordinary Shares are subscribed in the Settlement Shares Offer, Holders shall be entitled to receive the relevant Ordinary Shares.

Takeover Event and De-listing

If a Contingency Event or, as the case may be, a Viability Event occurs at any time after:

(i) the occurrence of a Qualifying Takeover Event and a QTE Effective Date, the Tier 2 BCNs shall be convertible into Approved Entity Shares of the Approved Entity at the New Conversion Price. See “Terms and Conditions of the Tier 2

	<p>BCNs – Conversion – Qualifying Takeover Event”;</p> <p>(ii) the occurrence of a Takeover Event or any de-listing of the Ordinary Shares not in connection with a Qualifying Takeover Event, the Tier 2 BCNs will convert into unlisted Ordinary Shares. See “Terms and Conditions of the Tier 2 BCNs – Conversion – Conversion by CSG”. See also paragraph (iv) of “Optional Redemption” above.</p>
Taxation	<p>The Issuer or the Guarantor, as applicable, will pay such Additional Amounts as may be necessary in order that the net payment received by each Holder in respect of the Tier 2 BCNs, after withholding for any taxes imposed on the Issuer or the Guarantor by tax authorities in Guernsey or Switzerland (or in any political subdivision thereof or therein having power to tax) upon payments made by or on behalf of the Issuer under the Tier 2 BCNs or the Guarantor under the Guarantee, as applicable, will equal the amount which would have been received in the absence of any such withholding taxes, save in certain limited circumstances as more particularly set out in “Terms and Conditions of the Tier 2 BCNs – Taxation”.</p>
Events of Default	<p>It will be an Event of Default if payment is not made for a period of ten days or more in the case of principal or thirty days or more in the case of interest due in respect of the Tier 2 BCNs or an order is made or a resolution passed for the winding-up, dissolution or liquidation of the Issuer or certain measures are taken under Swiss bankruptcy or insolvency law with respect to the Guarantor. Holders have limited enforcement remedies, as more particularly described in “Terms and Conditions of the Tier 2 BCNs – Events of Default”.</p>
Issuer Substitution	<p>Holders will be deemed to have acknowledged, and explicitly consented, that the Issuer may at any time, at the discretion of the Issuer and without any requirement for the further consent of the Holders, be substituted as Issuer by CSG, whereupon the Guarantee shall be terminated, provided certain conditions are satisfied, as more particularly described in “Terms and Conditions of the Tier 2 BCNs – Meetings of Holders, Modification and Substitution – Substitution”.</p>
Use of Proceeds	<p>The net proceeds from the issue of the Tier 2 BCNs amounting to CHF 735,000,000 will be invested in capital instruments issued by a company in the Group. Prior to the occurrence of a Substitution Date or a Contingency Event or Viability Event, the net proceeds will be applied exclusively by the Issuer outside Switzerland for its general corporate purposes.</p>
Status of the Tier 2 BCNs	<p>The Tier 2 BCNs will constitute direct, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves. The rights and claims of the Holders are subordinated as described herein</p>

	under “Terms and Conditions of the Tier 2 BCNs – Status and Subordination of the Tier 2 BCNs – Subordination”.
Guarantee	The Tier 2 BCNs will be irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee and otherwise in respect of the Tier 2 BCNs will be direct and unsecured obligations of the Guarantor, subordinated as described herein under “Terms and Conditions of the Tier 2 BCNs – Guarantee; Status and Subordination of the Guarantee – “Subordination” and under “Guarantee” – paragraph 4. Holders have limited enforcement remedies under the Guarantee, as more particularly described herein under “Terms and Conditions of the Tier 2 BCNs – Events of Default – Events of Default relating to CSG following a Substitution Date”. See also “Risk Factors – There are limited remedies available under the Tier 2 BCNs”.
Expected Rating	The Tier 2 BCNs are expected on issue to be rated BBB- by Fitch Ratings Ltd. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, modification or withdrawal at any time by the assigning rating agency.
Listing and Admission to trading	Listing of the Tier 2 BCNs will be applied at the SIX Swiss Exchange. The Tier 2 BCNs have been provisionally admitted for trading on the SIX Swiss Exchange on 20 March 2012. The last trading date will be the third dealing day prior to the date on which the Tier 2 BCNs are fully redeemed or converted in accordance with the Terms and Conditions of the Tier 2 BCNs.
Governing Law	Save for the subordination provisions in relation to the Tier 2 BCNs, which shall be governed by the laws of the Island of Guernsey, the Tier 2 BCNs and the Guarantee will be governed by, and construed in accordance with, Swiss law. Save as provided herein under “Terms and Conditions of the Tier 2 BCNs – Governing law and Jurisdiction”, the Courts of Zurich, Switzerland, will have exclusive jurisdiction to settle any disputes in connection with the Tier 2 BCNs and the Guarantee.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Tier 2 BCNs in the United States, the United Kingdom, the European Economic Area, Guernsey, the Republic of Italy, France, Singapore, Hong Kong, Republic of China, People’s Republic of China and Japan and such other restrictions as may be required in connection with the offering and sale of the Tier 2 BCNs, see “Subscription and Sale”.
United States Selling Restrictions	Regulation S, Category 2.
Security Codes	Swiss Security Number: 18 111 568 ISIN: CH0181115681 Common code: 075779950 Ticker Symbol: CSG12

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under the Tier 2 BCNs. Most of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, certain factors which are material for the purpose of assessing the market risks associated with the Tier 2 BCNs are also described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Tier 2 BCNs, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Tier 2 BCNs may occur for other reasons which may not be considered significant risks by the Issuer or the Guarantor based on information currently available to them or which they may not currently anticipate. Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Tier 2 BCNs. The information is not intended to be an exhaustive list of all potential risks associated with an investment in the Tier 2 BCNs. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Capitalised terms used in this section but not defined herein shall have the meanings assigned to them elsewhere in this Prospectus.

Factors that may affect the ability of the Issuer to fulfil its obligations under the Tier 2 BCNs

Dependence on other Group Members

The Issuer is a finance vehicle established by the Guarantor for the purpose of raising finance and on-lending the proceeds within the Group (as defined below). The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any Group member fail to pay interest on or repay any loan in a timely fashion, that could have a material effect on the ability of the Issuer to fulfil its obligations under the Tier 2 BCNs.

By virtue of its dependence on other Group members, each of the risks described below that affect CSG will also indirectly affect the Issuer.

“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 prevailing capital adequacy laws and regulations to which it is subject at such time.

Factors that may affect the ability of CSG to fulfil its obligations with respect to the Tier 2 BCNs and which may be relevant to the occurrence of a Contingency Event or a Viability Event

Liquidity risk

Liquidity, or ready access to funds, is essential to CSG’s business, particularly CSG’s Investment Banking business. CSG maintains available liquidity to meet its obligations in a stressed liquidity environment. For information on CSG’s liquidity management, refer to “III — Treasury, Risk, Balance sheet and Off-balance sheet — Treasury management” in the Credit Suisse Annual Report 2010 and “IV — Treasury and Risk Management — Treasury management” in the Fourth Quarter Form 6-K dated 9 February 2012.

CSG's liquidity could be impaired if it is unable to access the capital markets or sell its assets, and CSG expects its liquidity costs to increase.

CSG's ability to borrow on a secured or unsecured basis and the cost of doing so can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or market perceptions of risk relating to CSG or the banking sector, including CSG's perceived or actual creditworthiness. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on CSG's liquidity. In challenging credit markets, CSG's funding costs may increase or it may be unable to raise funds to support or expand its businesses, adversely affecting the results of operations. Since 2009, access to the debt capital markets and secured lending markets has generally normalised for those financial institutions, including CSG, that emerged from the financial crisis in a relatively strong position. Nevertheless, the costs of liquidity have increased, and CSG expects to incur additional costs as a result of regulatory requirements for increased liquidity and the challenging economic environment in Europe, the U.S. and elsewhere.

If CSG is unable to raise needed funds in the capital markets, it may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, CSG may be unable to sell some of its assets, or it may need to sell assets at depressed prices, which in either case could adversely affect its results of operations and financial condition.

CSG's businesses rely significantly on its deposit base for funding.

CSG's businesses benefit from short-term funding sources, including primarily demand deposits, inter-bank loans, time deposits and cash bonds. Although deposits have been, over time, a stable source of funding, this may not continue. In that case, CSG's liquidity position could be adversely affected and it might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature or to fund new loans, investments and businesses.

Changes in CSG's ratings may adversely affect its business.

Ratings are assigned by rating agencies, which may lower, indicate their intention to lower or withdraw their ratings at any time. The major rating agencies remain focused on the financial services industry, particularly on uncertainties as to whether firms that pose systemic risk would receive government or central bank support in a financial or credit crisis and on such firms' potential vulnerability to market sentiment and confidence, particularly during periods of severe economic stress. For example, in December 2011, following the completion of a broad review of the ratings of the world's largest banks, Fitch Ratings Ltd. ("Fitch") lowered its ratings of eight "global trading and universal banks", including Credit Suisse AG. In doing so, Fitch noted that the downgrades reflected challenges faced by the sector as a whole, rather than negative developments in individual institutions' fundamental creditworthiness. Further downgrades in CSG's assigned ratings, including in particular CSG's credit ratings, could increase CSG's borrowing costs, limit CSG's access to capital markets, increase CSG's cost of capital and adversely affect the ability of CSG's businesses to sell or market their products, engage in business transactions – particularly longer-term and derivatives transactions – and retain CSG's customers.

Market risk

CSG may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

Although CSG continued to reduce its balance sheet and accelerated the implementation of its client-focused, capital-efficient strategy in 2011, CSG continues to maintain large trading and investment positions and hedges in the debt, currency and equity markets, and in private equity, hedge funds, real estate and other assets. These positions could be adversely affected by volatility in financial and other markets, that is, the

degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. To the extent that CSG owns assets, or has net long positions, in any of those markets, a downturn in those markets could result in losses from a decline in the value of CSG's net long positions. Conversely, to the extent that CSG has sold assets that it does not own, or has net short positions, in any of those markets, an upturn in those markets could expose CSG to potentially significant losses as it attempts to cover its net short positions by acquiring assets in a rising market. Market fluctuations, downturns and volatility can adversely affect the fair value of CSG's positions and its results of operations. Adverse market or economic conditions or trends have caused, and may in the future cause, a significant decline in CSG's net revenues and profitability.

CSG's businesses are subject to the risk of loss from adverse market conditions and unfavourable economic, monetary, political, legal and other developments in the countries CSG operates in around the world.

As a global financial services company, CSG's businesses are materially affected by conditions in the financial markets and economic conditions generally in Europe, the US and elsewhere around the world. The recovery from the economic crisis of 2008 and 2009 continues to be sluggish in several key developed markets, while new challenges developed during 2011, particularly in Europe, which suffered from prolonged uncertainty over the future of the Euro, and the U.S., which saw the first downgrade of U.S. sovereign debt in the modern era. CSG's financial condition and results of operations could be materially adversely affected if these conditions do not improve, or if they stagnate or worsen. Further, various countries in which CSG operates or invests have experienced severe economic disruptions particular to that country or region, including extreme currency fluctuations, high inflation, or low or negative growth, among other negative conditions. In 2011, particular concerns were raised about certain European countries, including Greece, Ireland, Italy, Portugal and Spain, regarding perceived weaknesses in their economic and fiscal condition, and how such weaknesses might affect other economies, as well as financial institutions (including Credit Suisse AG) which lent funds to or did business with or in those countries. There is always the chance that economic disruptions in other countries, even in countries in which CSG does not currently conduct business or have operations, will adversely affect CSG's businesses and results.

Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and foreign currency exchange rates, the risk of geopolitical events and fluctuations in commodity prices, the European sovereign debt crisis and the U.S. federal debt crisis have affected financial markets and the economy. In recent years, movements in interest rates have affected CSG's net interest income and the value of its trading and non-trading fixed income portfolios. In addition, movements in equity markets, together with lower industry-wide capital issuance levels, have affected the value of CSG's trading and non-trading equity portfolios, while the strength of the CHF has adversely affected CSG's revenues and net income.

Such adverse market or economic conditions may reduce the number and size of Investment Banking transactions in which CSG provides underwriting, mergers and acquisitions advice or other services and, therefore, may adversely affect its financial advisory and underwriting fees. Such conditions may adversely affect the types and volumes of securities trades that CSG executes for customers and may adversely affect the net revenues it receives from commissions and spreads. In addition, several of CSG's businesses engage in transactions with, or trade in obligations of, governmental entities, including super-national, national, state, provincial, municipal and local authorities. These activities can expose CSG's to enhanced sovereign, credit-related, operational and reputational risks, including the risks that a governmental entity may default on or restructure its obligations or may claim that actions taken by government officials were beyond the legal authority of those officials, which could adversely affect CSG's financial condition and results of operations.

Unfavourable market or economic conditions have affected CSG's businesses in recent years, including the low interest rate environment, continued cautious investor behaviour, lower industry-wide capital issuance levels, and subdued M&A activity. These negative factors have been reflected in lower commissions and fees from client-flow sales and trading and from asset management activities, including commissions and fees that are based on the value of its clients' portfolios. Investment performance that is below that of competitors or asset management benchmarks could result in a decline in assets under management and related fees and make it harder to attract new clients. In light of the recent dislocation in the financial and credit markets, there has been a fundamental shift in client demand away from more complex products and significant client deleveraging, and CSG's Asset Management and Wealth Management Clients results of operations have been and could continue to be adversely affected as long as this continues.

Adverse market or economic conditions have also negatively affected CSG's private equity investments since, if a private equity investment substantially declines in value, CSG may not receive any increased share of the income and gains from such investment (to which CSG is entitled in certain cases when the return on such investment exceeds certain threshold returns), may be obligated to return to investors previously received excess carried interest payments and may lose its pro rata share of the capital invested. In addition, it could become more difficult to dispose of the investment, as even investments that are performing well may prove difficult to exit in weak initial public offering markets.

In addition to the macroeconomic factors discussed above, other events beyond our control, including terrorist attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on CSG's businesses and results.

CSG may incur significant losses in the real estate sector.

CSG finances and acquires principal positions in a number of real estate and real estate-related products, primarily for clients and originates loans, secured by commercial and residential properties. CSG also securitizes and trades in residential real estate and real estate-related whole loans, mortgages, and other real estate and commercial assets and products, including residential mortgage-backed securities. CSG's real estate businesses and risk exposures could continue to be adversely affected by the downturn in real estate markets, other sectors and the economy as a whole. In particular, the risk of the real estate market overheating in certain areas of Switzerland could have a material adverse effect on CSG's real estate business.

Holding large and concentrated positions may expose CSG to large losses.

Concentrations of risk could increase losses in CSG's Private Banking and Investment Banking businesses, which may have sizeable loans to and securities holdings in certain customers or, industries or countries. Decreasing economic growth in any sector in which CSG makes significant commitments, for example, through underwriting, lending or advisory services, could also negatively affect CSG's net revenues.

CSG has significant risk concentration in the financial services industry as a result of the large volume of transactions routinely conducted with broker-dealers, banks, funds and other financial institutions, and in the ordinary conduct of CSG's business it may be subject to risk concentration with a particular counterparty. CSG, like other financial institutions, continues to adapt its practices and operations in consultation with its regulators to better address an evolving understanding of its exposure to, and management of, systemic risk and risk concentration to financial institutions. Regulators continue to focus on these risks, and there are numerous new regulations and government proposals, and significant ongoing regulatory uncertainty, about how best to address them. There can be no assurance that the changes in CSG's and industry operations, practices and regulation will be effective in managing this risk. For further information, refer to "I — Information on the Company — Regulation and supervision" in the Credit Suisse Annual Report 2010 and "I — Credit Suisse Results — Core results — Regulatory proposals and developments" in the First Quarter

Form 6-K dated 10 May 2011, the Second Quarter Form 6-K dated 9 August 2011, the Third Quarter Form 6-K dated 10 November 2011 and the Fourth Quarter Form 6-K dated 9 February 2012.

Risk concentration may cause CSG to suffer losses even when economic and market conditions are generally favourable for others in its industry.

CSG's hedging strategies may not prevent losses.

If any of the variety of instruments and strategies CSG uses to hedge its exposure to various types of risk in its businesses is not effective, it may incur losses. CSG may be unable to purchase hedges or be only partially hedged, or its hedging strategies may not be fully effective in mitigating CSG's risk exposure in all market environments or against all types of risk.

Market risk may increase the other risks that CSG faces.

In addition to the potentially adverse effects on CSG's businesses described above, market risk could exacerbate the other risks that CSG faces. For example, if CSG were to incur substantial trading losses, its need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with another market downturn, CSG's customers and counterparties could also incur substantial losses of their own, thereby weakening their financial condition and increasing its credit and counterparty risk exposure to them.

Credit risk

CSG may suffer significant losses from its credit exposures.

CSG's businesses are subject to the risk that borrowers and other counterparties will be unable to perform their obligations. Credit exposures exist within lending relationships, commitments and letters of credit, as well as derivative, foreign exchange and other transactions. For information on management of credit risk, refer to "III — Treasury, risk, balance sheet and off-balance sheet — Risk management" in the Credit Suisse Annual Report 2010 and "IV — Treasury, risk balance sheet and off-balance sheet — Risk management" in the Fourth Quarter Form 6-K dated 9 February 2012.

CSG management's determination of the provision for loan losses is subject to significant judgment. CSG's banking businesses may need to increase their provisions for loan losses or may record losses in excess of the previously determined provisions if its original estimates of loss prove inadequate which could have a material adverse effect on its results of operations. For information on provisions for loan losses and related risk mitigation refer to "III — Treasury, risk, balance sheet and off-balance sheet — Risk management" and "Note 1 — Summary of significant accounting policies", "Note 10 — Provision for credit losses" and "Note 18 — Loans, allowance for loan losses and credit quality" in "V — Consolidated financial statements — Credit Suisse Group" in the Credit Suisse Annual Report 2010 and "IV — Treasury, risk, balance sheet and off-balance sheet — Risk management" and "Note 1 — Summary of significant accounting policies", "Note 10 — Provision for credit losses" and "Note 16 — Loans, allowance for loan losses and credit quality" in the First Quarter Form 6-K dated 10 May 2011, the Second Quarter Form 6-K dated 9 August 2011, the Third Quarter Form 6-K dated 10 November 2011 and in the Fourth Quarter Form 6-K dated 9 February 2012. CSG's regular review of the creditworthiness of clients and counterparties for credit losses does not depend on the accounting treatment of the asset or commitment. Changes in creditworthiness of loans and loan commitments that are fair valued are reflected in trading revenues.

As a result of CSG's use of swaps and other derivatives, CSG's credit exposures have increased and may continue to increase in amount and duration. In addition, CSG has experienced in the past, and may in the future experience, pressure to assume longer-term credit risk, extend credit against less liquid collateral and price derivative instruments more aggressively based on the credit risks that it takes due to competitive

factors. CSG's investments in, or loans to, hedge funds are an additional source of credit exposure. CSG expects its capital and liquidity requirements, and those of the financial services industry, to increase as a result of these risks.

Defaults by a large financial institution could adversely affect financial markets generally and CSG specifically.

Concerns, or even rumours, about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as systemic risk. Concerns about, defaults by and failures of many financial institutions continued in 2011 and could continue to lead to losses or defaults by financial institutions and financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which CSG interacts on a daily basis. CSG's credit risk exposure will also increase if the collateral it holds cannot be realised upon or can only be liquidated at prices insufficient to cover the full amount of exposure.

The information that CSG uses to manage its credit risk may be inaccurate or incomplete.

Although CSG regularly reviews its credit exposure to specific clients and counterparties and to specific industries, countries and regions that it believes may present credit concerns, default risk may arise from events or circumstances that are difficult to foresee or detect, such as fraud. CSG may also fail to receive full information with respect to the credit or trading risks of a counterparty.

Risks from estimates and valuations

CSG makes estimates and valuations that affect its reported results, including measuring the fair value of certain assets and liabilities, establishing provisions for contingencies and losses for loans, litigation and regulatory proceedings, accounting for goodwill and intangible asset impairments, evaluating its ability to realize deferred tax assets, valuing equity based compensation awards and the calculation of expenses and liabilities associated with its pension plans. These estimates are based upon judgement and available information, and CSG's actual results may differ materially from these estimates. For information on these estimates and valuations, refer to "II — Operating and financial review — Critical accounting estimates" and "Note 1 — Summary of significant accounting policies in V — Consolidated financial statements — Credit Suisse Group" in the Credit Suisse Annual Report 2010.

CSG's estimates and valuations rely on models and processes to predict economic conditions and market or other events that might affect the ability of counterparties to perform their obligations to CSG or impact the value of assets. To the extent CSG's models and processes become less predictive due to unforeseen market conditions, illiquidity or volatility, its ability to make accurate estimates and valuations could be adversely affected.

Risks relating to off-balance sheet entities

CSG enters into transactions with special purpose entities ("SPEs") in its normal course of business, and certain SPEs with which CSG transacts business are not consolidated and their assets and liabilities are off-balance sheet. The accounting requirements for consolidation, initially and if certain events occur that require CSG to reassess whether consolidation is required, can require the exercise of significant management judgement. Accounting standards relating to consolidation, or their interpretation, have changed and may continue to change. If CSG is required to consolidate an SPE, its assets and liabilities would be recorded on its consolidated balance sheets and CSG would recognize related gains and losses in its consolidated statements of operations, and this could have an adverse impact on its results of operations and capital and

leverage ratios. For information on CSG's transactions with and commitments to SPEs, refer to "III — Treasury, Risk, Balance sheet and Off-balance sheet — Balance sheet, off-balance sheet and contractual obligations — Off-balance sheet and Note 2 — Recently Issued accounting standards in V — Consolidated financial statements — Credit Suisse Group" in the Credit Suisse Annual Report 2010.

Cross-border and foreign exchange risk

Cross-border risks may increase market and credit risks CSG faces.

Country, regional and political risks are components of market and credit risk. Financial markets and economic conditions generally have been and may be materially affected by such risks. Economic or political pressures in a country or region, including those arising from local market disruptions, currency crises, monetary controls or other factors, may adversely affect the ability of clients or counterparties located in that country or region to obtain foreign currency or credit and, therefore, to perform their obligations to CSG, which in turn may have an adverse impact on CSG's results of operations.

CSG may face significant losses in emerging markets.

As a global financial services company and industry leader in emerging markets, CSG is exposed to economic instability in emerging market countries. CSG monitors these risks, seeks diversity in the sectors in which it invests and emphasises customer-driven business. CSG's efforts at containing emerging market risk, however, may not always succeed.

Currency fluctuations may adversely affect CSG's results of operations.

CSG is exposed to risk from fluctuations in exchange rates for currencies, particularly the U.S. dollar. In particular, a substantial portion of CSG's assets and liabilities in its Investment Banking and Asset Management businesses are denominated in currencies other than the Swiss franc, which is the primary currency of its financial reporting. CSG's capital is also stated in Swiss francs and it does not fully hedge its capital position against changes in currency exchange rates. Notwithstanding the actions of the Swiss National Bank to impose a trading floor for the CHF-EUR exchange rate, the Swiss franc appreciated significantly against the U.S. dollar and euro in 2011. The appreciation of the Swiss franc in particular and exchange rate volatility in general have had an adverse impact on CSG's results of operations and capital position in recent years and may have such an effect in the future.

Operational risk

CSG is exposed to a wide variety of operational risks, particularly information technology risk.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. In general, although it has business continuity plans, CSG's businesses face a wide variety of operational risks, including technology risk that stems from dependencies on information technology, third party suppliers and the telecommunications infrastructure, including the infrastructure supporting CSG's businesses and the areas where its businesses or third-party suppliers are situated. As a global financial services company, CSG relies heavily on its financial, accounting and other data processing systems, which are varied and complex. If any of these systems does not operate properly or is disabled, including as a result of so-called "cyber attacks", security breaches or other unforeseeable events, CSG could suffer financial loss, a disruption of its businesses, liability to its clients, regulatory intervention or reputational damage.

CSG is exposed to operational risk arising from errors made in the execution, confirmation or settlement of transactions or in transactions not being properly recorded or accounted for, and regulatory requirements in this area have increased and are expected to increase further. CSG's business depends on its ability to process

a large volume of diverse and complex transactions, including derivatives transactions, which have increased in volume and complexity and which are not always confirmed on a timely basis. CSG's businesses also rely on the secure processing, storage and transmission of confidential and other information.

CSG may suffer losses due to employee misconduct.

CSG's businesses are exposed to risk from potential non-compliance with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of multi-national financial institutions have suffered material losses due to the actions of "rogue traders" or other employees. It is not always possible to deter employee misconduct, and the precautions CSG takes to prevent and detect this activity may not always be effective.

Risk management.

CSG has risk management procedures and policies designed to manage its risk. These techniques and policies, however, may not always be effective, particularly in highly volatile markets. CSG continues to adapt its risk management techniques, in particular value-at-risk, which relies on historical data, to reflect changes in the financial and credit markets. No risk management procedures can anticipate every market development or event, and CSG's risk management procedures and hedging strategies, and the judgements behind them, may not fully mitigate its risk exposure in all markets or against all types of risk. For information on CSG's risk management, refer to "III — Treasury, Risk, Balance sheet and Off-balance sheet — Risk management" in the Credit Suisse Annual Report 2010 and "IV — Treasury and Risk Management — Risk management" in the Fourth Quarter Form 6-K dated 9 February 2012.

Legal and regulatory risks

CSG's exposure to legal liability is significant.

CSG faces significant legal risks in its businesses, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms are increasing.

CSG and its subsidiaries are subject to a number of material legal proceedings, regulatory actions and investigations, and an adverse result in one or more of these proceedings could have a material adverse effect on CSG's operating results for any particular period, depending, in part, upon its results for such period. For information relating to these and other legal and regulatory proceedings involving CSG's Investment Banking and other businesses, refer to "Consolidated financial statements – Credit Suisse Group – Note 37 – Litigation" in the Credit Suisse Annual Report 2010, and "Condensed consolidated financial statements – unaudited – Note 29 – Litigation" in each of the First Quarter Form 6-K dated 10 May 2011, the Second Quarter Form 6-K dated 9 August 2011, the Third Quarter Form 6-K dated 10 November 2011 and the Fourth Quarter Form 6-K dated 9 February 2012.

It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving CSG's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. CSG's management is required to establish, increase or release reserves for losses that are probable and reasonably estimable in connection with these matters. For more information, refer to "II — Operating and financial review — Critical accounting estimates" and "Note 1 — Summary of significant accounting policies in V — Consolidated financial statements — Credit Suisse Group" in the Credit Suisse Annual Report 2010.

Regulatory changes may adversely affect CSG's business and ability to execute CSG's strategic plans.

As a participant in the financial services industry, CSG is subject to extensive regulation by governmental agencies, supervisory authorities and self-regulatory organizations in Switzerland, Europe, the U.S. and other jurisdictions in which CSG operates around the world. Such regulation is becoming increasingly more extensive and complex and, in recent years, costs related to CSG's compliance with these requirements and the penalties and fines sought and imposed on the financial services industry by regulatory authorities have each increased significantly. These regulations often serve to limit CSG's activities, including through the application of increased capital requirements, customer protection and market conduct regulations, and direct or indirect restrictions on the businesses in which CSG may operate or invest. Such limitations can have a negative effect on CSG's business and its ability to implement strategic initiatives. Since 2008, regulators and governments have focused on the reform of the financial services industry, including enhanced capital, leverage and liquidity requirements, changes in compensation practices (including tax levies) and measures to address systemic risk. CSG is already subject to increased regulation in many areas of our business and expects to face increased regulation and regulatory scrutiny and enforcement. CSG expects such increased regulation to increase its costs and affect its ability to conduct certain businesses. For example, CSG's business may be affected by regulatory initiatives such as the additional capital requirements, capital adequacy ratios and leverage capital requirements under the new "too-big-to-fail" legislation that entered into force on 1 March 2012 in Switzerland, the ongoing implementation in the U.S. of the provisions of the Dodd Frank Wall Street Reform and Consumer Protection Act (including the "Volcker Rule") and other regulatory developments. We expect the financial services industry, including Credit Suisse AG, to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2012.

Despite CSG's best efforts to comply with applicable regulations, a number of risks remain, particularly in areas where applicable regulations may be unclear or where regulators revise their previous guidance or courts overturn previous rulings. Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against CSG, which could result in, among other things, suspension or revocation of its licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially adversely affect CSG's results of operations and seriously harm its reputation.

Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect CSG's results of operations.

For a description of CSG's regulatory regime and capital requirements and a summary of some of the significant regulatory and government reform proposals affecting the financial services industry, refer to "I — Information on the company — Regulation and supervision" in the Credit Suisse Annual Report 2010 and "I — Credit Suisse Results — Core results — Regulatory proposals and developments" in the First Quarter Form 6-K dated 10 May 2011, the Second Quarter Form 6-K dated 9 August 2011, the Third Quarter Form 6-K dated 10 November 2011 and the in the Fourth Quarter Form 6-K dated 9 February 2012.

Changes in monetary policy are beyond CSG's control and difficult to predict.

CSG is affected by the monetary policies adopted by the central banks and regulatory authorities of Switzerland, the United States and other countries. The actions of the United States Federal Reserve and other central banking authorities directly impact CSG's cost of funds for lending, capital raising and investment activities and may impact the value of financial instruments CSG holds and the competitive and operating environment for the financial services industry. Many central banks have implemented significant changes to their monetary policy. We cannot predict whether these changes will have a material adverse effect on us or our operations. In addition, changes in monetary policy may affect the credit quality of CSG's customers. Any changes in monetary policy are beyond CSG's control and difficult to predict.

Legal restrictions on its clients may reduce the demand for CSG's services.

CSG may be materially affected not only by regulations applicable to it as a financial services company, but also by regulations of general application. For example, the volume of CSG's businesses in any one year could be affected by, among other things, existing and proposed tax legislation, antitrust and competition policies, corporate governance initiatives and other governmental regulations and policies and changes in the interpretation or enforcement of existing laws and rules that affect business and the financial markets.

Any conversion of our contingent capital will dilute the ownership interests of existing shareholders.

Under the new Swiss "too-big-to-fail" legislation that entered into force on 1 March 2012 and is yet to be phased in, CSG will be required to issue a significant amount of contingent capital which will convert into common equity upon the occurrence of a triggering event. CSG has already issued or agreed to issue an aggregate of CHF 7.9 billion in principal amount of such contingent capital, and we expect to issue more such contingent capital in the future including in this transaction. If a triggering event occurs, the conversion of some or all of the contingent capital then outstanding will result in the dilution of the ownership interests of our then existing shareholders, which dilution could be substantial. Additionally, any conversion, or the anticipation of the possibility of a conversion, could depress the market price of our common stock.

Competition

CSG faces intense competition.

CSG faces intense competition in all financial services markets and for the products and services it offers. Consolidation, through mergers and acquisitions, alliances and cooperation, including as a result of financial distress, is increasing competitive pressures. Competition is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve client needs. Consolidation has created a number of firms that, like CSG, have the ability to offer a wide range of products, from loans and deposit-taking to brokerage, Investment Banking and Asset Management services. Some of these firms may be able to offer a broader range of products than CSG does, or offer such products at more competitive prices. Current market conditions have resulted in significant changes in the competitive landscape in CSG's industry as many institutions have merged, declared bankruptcy, received government assistance or changed their regulatory status, which will affect how they conduct their business. In addition, current market conditions have had a fundamental impact on client demand for products and services. Although CSG expects the increasing consolidation and changes in its industry to offer opportunities, it can give no assurance that its results of operations will not be adversely affected.

CSG's competitive position could be harmed if its reputation is damaged.

In the highly competitive environment arising from globalisation and convergence in the financial services industry, a reputation for financial strength and integrity is critical to CSG's performance, including its ability to attract and maintain clients and employees. CSG's reputation could be harmed if its comprehensive procedures and controls fail, or appear to fail, to address conflicts of interest, prevent employee misconduct, produce materially accurate and complete financial and other information or prevent adverse legal or regulatory actions. For further information, refer to "III — Treasury, Risk, Balance Sheet and Off-balance sheet — Risk management — Reputational Risk" in the Credit Suisse Annual Report 2010.

CSG must recruit and retain highly skilled employees.

CSG's performance is largely dependent on the talents and efforts of highly skilled individuals. Competition for qualified employees is intense. CSG has devoted considerable resources to recruiting, training and compensating employees. CSG's continued ability to compete effectively in its businesses depends on its

ability to attract new employees and to retain and motivate its existing employees. The continued public focus on compensation practises in the financial services industry, and related regulatory changes, may have an adverse impact on CSG's ability to attract and retain highly skilled employees.

CSG faces competition from new trading technologies.

CSG's Private Banking, Investment Banking and Asset Management businesses face competitive challenges from new trading technologies, which may adversely affect its commission and trading revenues, exclude its businesses from certain transaction flows, reduce its participation in the trading markets and the associated access to market information and lead to the creation of new and stronger competitors. CSG has made, and may continue to be required to make, significant additional expenditures to develop and support new trading systems or otherwise invest in technology to maintain its competitive position.

Risks relating to CSG's strategy

CSG may not achieve all of the expected benefits of its strategic initiatives.

In light of increasing regulatory and capital requirements and continued challenging market and economic conditions, CSG announced in 2011 that it is adapting the Group's client-focues, capital-efficient strategy to optimize its use of capital and improve its cost structure. In order to implement this strategy, CSG is reducing headcount by approximately 7% across the Group, maximizing deployment opportunities by rationalizing its existing business footprint, more fully integrating its operating model and continuing to centralize CSG's infrastructure and streamlining CSG's operational and support functions. CSG is also redeploying its capital, particularly in Investment Banking, to invest and grow businesses while significantly reducing its risk-weighted assets and cost base. Factors beyond CSG's control, including but not limited to the market and economic conditions and other challenges discussed in detail above, could limit our ability to achieve all of the expected benefits of these initiatives.

In addition, acquisitions and other similar transactions CSG undertakes as part of the Group's strategy subject CSG to certain risks. Even though CSG reviews the records of companies it plans to acquire, it is generally not feasible for CSG to review all such records in detail. Even an in-depth review of records may not reveal existing or potential problems or permit CSG to become familiar enough with a business to assess fully its capabilities and deficiencies. As a result, CSG may assume unanticipated liabilities (including legal and compliance issues), or an acquisition may not perform as well as expected. CSG also faces the risk that it will not be able to integrate acquisitions into its existing operations effectively as a result of, among other things, differing procedures, business practices and technology systems, as well as difficulties in adapting an acquired company into its organisational structure. CSG faces the risk that the returns on acquisitions will not support the expenditures or indebtedness incurred to acquire such businesses or the capital expenditures needed to develop such businesses.

In recent years CSG has also undertaken a number of new joint ventures and strategic alliances. Although CSG endeavours to identify appropriate partners, its joint venture efforts may prove unsuccessful or may not justify its investments and other commitments.

Factors which are material for the purpose of assessing an investment in the Tier 2 BCNs

The Tier 2 BCNs are a novel form of security and may not be a suitable investment for all investors.

The Tier 2 BCNs are a novel form of security. As a result, an investment in the Tier 2 BCNs and the Ordinary Shares issuable upon conversion of the Tier 2 BCNs will involve certain increased risks. Each potential investor in the Tier 2 BCNs must determine the suitability (either alone or with the help of a financial adviser) of such investment in light of his/her own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Tier 2 BCNs, the merits and risks of investing in the Tier 2 BCNs and the information contained or incorporated by reference in this Prospectus;
- (ii) have access to appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Tier 2 BCNs and the impact the Tier 2 BCNs will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Tier 2 BCNs, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Tier 2 BCNs, such as the provisions governing a Contingency Event, particularly the calculation of the Capital Ratio (including the Core Tier 1 Ratio, the Core Tier 1 Amount, the Core Tier 1 Capital, the CET1 Ratio, the CET1 Amount and the RWA Amount) and the Threshold Ratio, or a Viability Event, and be familiar with the behaviour of any relevant financial markets and their potential impact on the likelihood of a Contingency Event or Viability Event occurring; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment, the conversion of Tier 2 BCNs into Ordinary Shares, and their ability to bear the applicable risks.

The Tier 2 BCNs are novel and complex financial instruments. Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Tier 2 BCNs unless they have the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Tier 2 BCNs will perform under changing conditions, the resulting effects on the likelihood of conversion and the value of the Tier 2 BCNs, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

The Tier 2 BCNs and the Guarantee are subject to the provisions of the laws of Switzerland and Guernsey, any of which may change and have a material adverse effect on the terms and market value of the Tier 2 BCNs.

(i) Switzerland

Changes in the laws of Switzerland after the date hereof may also affect the rights and effective remedies of Holders as well as the market value of the Tier 2 BCNs. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Tier 2 BCNs, which may have an adverse effect on investment in the Tier 2 BCNs, the introduction of a variety of statutory resolution and loss-absorption tools, which may affect the rights of holders of obligations issued by the Issuer and/or CSG, including the Tier 2 BCNs. Such tools may include the ability to write off sums otherwise payable on such securities at a time when CSG is no longer considered viable by its regulator or upon the occurrence of another trigger.

Such changes also include amendments of the Swiss Banking Act or any implementing ordinance, in particular (i) the provisions in the Swiss Banking Act concerning “too-big-to-fail” that were approved by the Swiss Parliament on 30 September 2011 and entered into force on 1 March 2012, but still need to be fully implemented through amendments of the banking ordinance and the capital adequacy

ordinance, or (ii) as required in order to implement the Basel III framework or any amendments thereof. Any such changes could impact the calculation of the Capital Ratio, including the Core Tier 1 Ratio, the Core Tier 1 Amount, the Core Tier 1 Capital, the CET 1 Ratio, the CET1 Amount and the RWA Amount. Because the occurrence of a Contingency Event after the Basel III Regulations Date depends, in part, on the calculation of the CET1 Ratio, any change in Swiss law that could affect the calculation of the CET1 Ratio could also affect the determination of whether a Contingency Event has actually occurred. This uncertainty is one of the principal terms of the Tier 2 BCNs and any uncertainty regarding this term can be expected to have an adverse effect on the market value of the Tier 2 BCNs.

Further, any change in the National Regulations or BIS Regulations that would cause the Tier 2 BCNs to cease to qualify as Buffer Capital under the National Regulations or Tier 2 Capital under BIS Regulations would trigger a Capital Event, and any change under the laws or regulations of Switzerland, including any treaty to which Switzerland is a party, or any change in the generally published application or interpretation of such laws, including a decision of any court or tribunal or any relevant tax authority, that would cause CSG to have to pay Additional Amounts under the Tier 2 BCNs or the Guarantee would trigger a Tax Event, at which time the Issuer has the option, subject to certain conditions (i) to substitute all (but not some only) of the Tier 2 BCNs for, or vary the terms of the Tier 2 BCNs so that they remain or, as appropriate, become, Compliant Securities, or (ii) to redeem the Tier 2 BCNs in whole. In any such case, the Tier 2 BCNs could cease to be outstanding, which could materially and adversely affect investors and frustrate investment strategies and goals.

Such legislative and regulatory uncertainty could affect an investor's ability to accurately value the Tier 2 BCNs and therefore affect the trading price of the Tier 2 BCNs given the extent and impact on the Tier 2 BCNs of one or more regulatory or legislative changes, including the ones described above.

Further, according to article 25 et seq. of the Swiss Banking Act, the Swiss Financial Market Supervisory Authority FINMA ("FINMA") has broad statutory powers to take measures in relation to CSG if it (i) is overindebted, (ii) has serious liquidity problems or (iii) fails to fulfil the applicable capital-adequacy provisions after expiry of a deadline set by FINMA. If one of these pre-requisites is met, FINMA is authorised (a) to open restructuring proceedings (*Sanierungsverfahren*) or (b) to open liquidation (bankruptcy) proceedings (*Bankenkonkurs*) and/or (c) to impose protective measures (*Schutzmassnahmen*) even if, at that time, a Viability Event has not occurred. The Swiss Banking Act, as last amended as of 1 September 2011 and 1 March 2012, grants significant discretion to FINMA. In particular, protective measures that may be imposed by FINMA include a broad variety of measures such as a bank moratorium (*Stundung*) or a maturity postponement (*Fälligkeitsaufschub*) and may be ordered by FINMA either on a stand-alone basis or in connection with reorganisation or liquidation proceedings. In a restructuring proceeding, the resolution plan may, among other things, provide for (i) the transfer of the property of CSG or parts thereof with assets and debt as well as contracts to another entity, (ii) the conversion of CSG's debt or other obligations, including obligations of the Issuer under the Tier 2 BCNs, into equity, and/or (iii) potentially haircuts on obligations owed by CSG, including obligations of the Issuer under the Tier 2 BCNs. As of the date of this Prospectus, and pending issuance of the new related implementing ordinances, there is no clear guidance on what impact the revised regime would have on the rights of the Holders under the Tier 2 BCNs if one or several of measures under the revised insolvency regime were imposed in connection with a restructuring of CSG.

In addition, on 24 August, 2011, the Swiss Federal Council issued draft legislation, which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest (i) in respect of a debt security issued by a non-Swiss issuer directly (or in

certain cases indirectly) to an individual resident in Switzerland or (ii) in respect of a debt security issued by a Swiss issuer directly (or in certain cases indirectly) to an individual resident in Switzerland or to a person resident abroad unless certain requirements are met. If this legislation or similar legislation were enacted and a payment in respect of a Tier 2 BCN were to be made or collected through Switzerland and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, neither the Issuer nor any paying agent nor any other person would pursuant to the Terms and Conditions of the Tier 2 BCNs be obliged to pay additional amounts with respect to any Tier 2 BCN as a result of the deduction or imposition of such withholding tax.

(ii) *Island of Guernsey*

Changes in the laws of the Island of Guernsey after the date hereof may also affect the rights and effective remedies of Holders. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Tier 2 BCNs, which may have an adverse effect on investment in the Tier 2 BCNs. On 27 October 2009, the States of Deliberation of Guernsey resolved that a planned review of taxation in the Island of Guernsey shall proceed on the presumption of a 10 per cent. general rate of corporate tax. Until such time as the review is complete, the existing corporate income tax regime remains in place. No announcements have been made regarding specific changes to Guernsey's tax regime, but it is anticipated that any changes introduced will not take effect until after 2012 at the earliest and may include transitional provisions.

In certain instances the Issuer could substitute or vary the terms of the Tier 2 BCNs and Holders may be bound by certain other amendments to the Tier 2 BCNs to which they did not consent.

If at any time the Tier 2 BCNs are not eligible in their entirety to be treated as Buffer Capital under National Regulations and as Tier 2 Capital under BIS Regulations or the making of any payment on the Tier 2 BCNs would require the payment of Additional Amounts in respect of tax, in addition to its option to redeem the Tier 2 BCNs, the Issuer has the option, without the need for any consent of the Holder, to substitute all (but not some only) of the Tier 2 BCNs for, or vary the terms of the Tier 2 BCNs so that they remain or, as appropriate, become, Compliant Securities, as described under "Terms and Conditions of the Tier 2 BCNs – Redemption, Substitution, Variation and Purchase". While the Issuer cannot make changes to the terms of the Tier 2 BCNs that materially adversely affect the collective rights of Holders, no assurance can be given as to whether any of these changes will negatively affect any particular Holder. In addition, the tax and stamp duty consequences of holding such substituted or varied Tier 2 BCNs could be different for some categories of Holders from the tax and stamp duty consequences for them of holding the Tier 2 BCNs.

In addition, the Conditions of the Tier 2 BCNs contain provisions for written resolutions of Holders and for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Further, the Issuer and the Guarantor may without the consent or approval of the Holders make such amendments to the terms of the Tier 2 BCNs and the Guarantee as they consider necessary or desirable to give effect to certain provisions of the Conditions, including in relation to the substitution of the Issuer by CSG and such other changes that in their opinion are of a formal, minor or technical nature or made to correct a manifest or proven error, or that in their opinion are not materially prejudicial to the interests of the Holders.

The circumstances triggering Conversion are unpredictable.

The occurrence of a Contingency Event or Viability Event is inherently unpredictable and depends on a number of factors, many of which are outside of CSG's control. In particular, the occurrence of a Contingency Event after the Basel III Regulations Date depends, in part, on the calculation of the CET1 Ratio, which can be affected, among other things, by the growth of CSG's business and its future net income; expected

dividend payments by CSG; regulatory changes (including possible changes in regulatory capital definitions and calculations) and CSG's ability to mitigate RWAs in rates, securitised products, credit, emerging markets and exit businesses in Investment Banking. In addition, a Contingency Event Notice shall not be given even if the Capital Ratio is below the Threshold Ratio if either (i) the Regulator, at the request of CSG, has agreed on or prior to the publication of the relevant Quarterly Financial Report that a Contingency Event Conversion shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the Capital Ratio to a level above the Threshold Ratio that the Regulator and CSG deem, in their absolute discretion, to be adequate at such time or (ii) at the relevant time, a Basel III Implementation Event applies.

The occurrence of a Viability Event is subject to, *inter alia*, a subjective determination by the Regulator or the federal government or central bank requiring CSG to accept support from the Public Sector. As a result, the Regulator may require or the federal government may cause the conversion of the Tier 2 BCNs into Ordinary Shares in circumstances that are beyond the control of the Issuer and CSG and with which neither the Issuer nor CSG agree.

The Regulator may notify CSG that it has determined that Conversion of the Tier 2 BCNs, together with the conversion or write off of holders' claims in respect of any other 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 off at that time 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. Additionally, if measures to improve CSG's capital adequacy are at the time inadequate or unfeasible and if CSG has received an irrevocable commitment of extraordinary support from the federal or central government or central bank in CSG's country of incorporation (beyond customary transactions and arrangements in the ordinary course) that has, or imminently will have, the effect of improving CSG's capital adequacy, the Regulator may determine that, without such irrevocable commitment, 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. Further, a Conversion would be triggered if the Capital Ratio contained in any Interim Capital Report is below 5 per cent. and as a consequence the conversion into equity or write off of any or all Progressive Capital Instruments in issue at such time occurs or, in the determination of the Regulator, would have occurred but for Conversion of the Tier 2 BCNs and the conversion or write off of all other Buffer Capital Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time.

In addition, Threshold Ratio means, at any time, 7 per cent. or, if lower at the relevant time, any other minimum common equity tier 1 threshold ratio as may be provided for under prevailing National Regulations in relation to Buffer Capital Instruments. As a result, if the prevailing National Regulations provide for a lower minimum common equity tier 1 threshold ratio in relation to Buffer Capital Instruments, a Contingency Event Conversion would become less likely than otherwise would have been the case.

Because of the inherent uncertainty regarding the determination of whether a Contingency Event or Viability Event exists, it will be difficult to predict when, if at all, the Tier 2 BCNs will be mandatorily converted into Ordinary Shares. Accordingly, trading behaviour in respect of the Tier 2 BCNs is not necessarily expected to follow trading behaviour associated with other types of convertible or exchangeable securities. Any indication that CSG is trending towards a Contingency Event or a Viability Event can be expected to have an adverse effect on the market price of the Tier 2 BCNs and on the price of the Ordinary Shares.

The terms and conditions of the other Buffer Capital Instruments, Tier 1 Instruments and Tier 2 Instruments already in issue or to be issued after the date hereof may vary and accordingly such instruments may not convert into equity or be written off at the same time, or to the same extent as the Tier 2 BCNs, or at all.

The interest rate on the Tier 2 BCNs will reset on the First Optional Redemption Date, which can be expected to affect the interest payment on an investment in the Tier 2 BCNs and the market value of the Tier 2 BCNs.

The Tier 2 BCNs will initially earn interest at the fixed rate of 7.125 per cent. per annum until (but excluding) the First Optional Redemption Date. From (and including) the First Optional Redemption Date, however, the interest rate will be reset to a rate, which will equal the aggregate of 6.685 per cent. and the Mid Swap Rate. This reset rate could be less than 7.125 per cent. and could affect the market value of an investment in the Tier 2 BCNs.

The Issuer may, in its sole discretion, elect to redeem the Tier 2 BCNs upon the occurrence of certain events.

The Tier 2 BCNs may be redeemed, subject to the conditions described under “Terms and Conditions of the Tier 2 BCNs – Redemption, Substitution, Variation and Purchase” including the approval of the Regulator, in the Issuer’s sole discretion, at their principal amount (or, in the case of a Takeover Event, the Takeover Event Redemption Amount and in the case of a Capital Event, the Capital Event Redemption Amount) together with accrued but unpaid interest, in certain circumstances including, on the First Optional Redemption Date, and at any time in whole upon the occurrence of a Tax Event, a Capital Event or a Takeover Event. The Tier 2 BCNs may not be repurchased by the Issuer or CSG at the option of the Holder.

The Issuer may be expected to exercise its right to redeem all or part of the Tier 2 BCNs when its cost of alternative borrowing is lower than the interest rate on the Tier 2 BCNs. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Tier 2 BCNs being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider whether and how to reinvest the proceeds of such redemption in light of other investments available at that time. There can be no assurance that Holders will be able to reinvest the redemption proceeds at a rate that will provide the same rate of return as their investment in the Tier 2 BCNs.

In addition, the optional redemption feature of the Tier 2 BCNs is likely to limit their market value. During any period when the Issuer has the right to elect to redeem all or part of the Tier 2 BCNs, the market value of the Tier 2 BCNs generally will not rise substantially above the price at which they can be redeemed.

Holders will bear the risk of fluctuation in the value of CSG Ordinary Shares.

Upon the occurrence of a Contingency Event or a Viability Event, the Tier 2 BCNs will be mandatorily converted into Ordinary Shares. Because a Contingency Event will occur when CSG’s Capital Ratio will have deteriorated significantly and a Viability Event will occur when CSG’s chances of continuing as a going concern will have deteriorated significantly, the Contingency Event or Viability Event will likely be accompanied by a prior deterioration in the market price of the Ordinary Shares, which may be expected to continue after declaration of the Contingency Event or Viability Event. Therefore, if there were a Contingency Event or Viability Event, the Reference Market Price may be below the Floor Price and investors would receive Ordinary Shares at a time when both the Conversion Ratio and the market price of the Ordinary Shares are diminished. In addition, there may be a delay in a Holder receiving its Ordinary Shares following a Contingency Event or Viability Event, during which time the market price of the Ordinary Shares may further decline. As a result, the value of the Ordinary Shares received upon a Contingency Event or Viability Event could be substantially lower than the price paid for the Tier 2 BCNs at the time of their purchase. As a result, an investor in the Tier 2 BCNs faces almost the same risk of loss as an investor in the Ordinary Shares since the investor will receive Ordinary Shares only in case of a Contingency Event or Viability Event.

Holders have limited anti-dilution protection.

The number of Ordinary Shares deliverable upon conversion of a BCN will be the principal amount thereof divided by the Conversion Price in effect on the relevant Conversion Date. The Conversion Price will be (i) at any time when the Ordinary Shares are admitted to trading on a Recognised Stock Exchange, in respect of any Conversion Date, the greatest of (a) the Reference Market Price of an Ordinary Share on the fifth Zurich Business Day prior to the date of the relevant Contingency Event Notice or, as the case may be, the Viability Event Notice, (b) the Floor Price on the fifth Zurich Business Day prior to the date of the Contingency Event Notice or, as the case may be, the Viability Event Notice; and (c) the nominal value of each Ordinary Share on the Share Creation Date (being, at the Issue Date, CHF 0.04), or (ii) without prejudice to “Summary – Takeover Event and De-listing” above, at any time when the Ordinary Shares are not admitted to trading on a Recognised Stock Exchange by reason of a Non-Qualifying Takeover Event or otherwise, the greater of (b) and (c) above.

The Floor Price will be adjusted in the event that there is a consolidation, reclassification or subdivision of the Ordinary Shares, Capital Distributions, rights issues or grant of other subscription rights or certain other adjustments which affect the Ordinary Shares, but only in the situations and to the extent provided in “Terms and Conditions of the Tier 2 BCNs — Conversion – Adjustments to the Floor Price”). There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares or that, if a Holder of the Tier 2 BCNs were to have held the Ordinary Shares at the time of such adjustment, such Holder would not have benefited to a greater extent.

Accordingly, events in respect of which no adjustment to the Floor Price is made may adversely affect the value of the Tier 2 BCNs.

Assumptions and data used in the calculation of CSG’s simulated 2013 CET1 Ratio, including the RWA Amount, are based on CSG’s current expectations and forecasts about future events, which could be wrong.

Assumptions and data used in the calculation of our simulated CET1 Ratio as at 1 January 2013 (the “2013 CET1 Ratio”), including the corresponding CET1 Amount and RWA Amount, are based on CSG’s current expectations and forecasts about future events (including CSG’s ability to utilise net deferred tax assets on net operating losses), analyst consensus forecasts in the case of earnings, and an assumption that dividends will remain constant from the amount to be proposed in respect of 2011 and that 50 per cent. of such dividends will be paid in shares. Therefore the information presented herein is subject to significant uncertainties that could cause CSG’s actual 2013 CET1 Ratio to differ. These uncertainties include, among other things, the growth of CSG’s business and its future net income, expected dividend payments by CSG, regulatory changes (including possible changes in regulatory capital definitions and calculations), CSG’s ability to mitigate RWAs in rates, securitised products, credit, emerging markets and exit businesses in Investment Banking, and, more generally, the other factors listed in “Forward Looking Statements” and “Risk Factors”. Any one or more of these factors could cause CSG’s actual Core Tier 1 Ratio or actual CET1 Ratio to differ materially from those expressed or implied by the simulations included in this Prospectus. Statements contained in this Prospectus regarding past performance, including historical Capital Ratios and RWA Amounts, trends or activities should not be taken as a representation that such performance, trends or activities will continue in the future.

In addition, the simulated 2013 CET1 Ratio was derived in a modeling process based on certain additional underlying assumptions regarding the final rules that are expected to be adopted by the FINMA regarding the implementation of Basel III, which may prove to be incorrect. For example, if the final rules adopted by the FINMA are different from those on which CSG based the simulated 2013 CET1 Ratio, CSG’s actual 2013

CET1 Ratio could be materially different from CSG's simulations and may cause CSG to breach the Threshold Ratio earlier than otherwise may have been the case.

Hence, there can be no assurance that the simulated 2013 CET1 Ratio will eventually prove to be accurate and investors should be aware that a number of factors, including inaccurate assumptions, those factors expressly noted above or known or unknown risks and uncertainties, many of which are beyond the control of CSG and its management, may result in an actual 2013 CET1 Ratio that is materially different from the simulated 2013 CET1 Ratio included herein. Due to the significant uncertainties inherent in CSG's assumptions, investors should not rely on these simulations when making their investment decisions, but should undertake their own independent evaluation of the assumptions underlying CSG's simulations.

CSG's simulations were not prepared with a view toward compliance with GAAP or consistency with CSG's audited financial statements. Moreover, neither CSG's independent auditors, KPMG, nor any other independent consultants, have examined, compiled or performed any procedures with respect to the historical or simulated Core Tier 1 Ratios or CET1 Ratios, nor have they expressed any opinion or any other form of assurance on such information or its achievability and, accordingly, KPMG assumes no responsibility for, and disclaims any association with, the Tier 1 Ratios. The report of KPMG incorporated by reference into this Prospectus refers exclusively to CSG's historical financial information and does not cover the Capital Ratios included herein and should not be read to do so.

The obligations of the Issuer and CSG under the Tier 2 BCNs and the Guarantee are subordinated and will be further subordinated upon conversion into Ordinary Shares.

In the event of the liquidation, dissolution or winding-up of the Issuer prior to a conversion having occurred, the rights and claims of the Holders against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Tier 2 BCNs shall generally rank junior to the claims of all holders of unsubordinated obligations of the Issuer, at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer and senior to the claims of holders of all subordinated obligations of the Issuer in respect of Tier 1 Capital and to the claims of holders of all classes of share capital of the Issuer. Similarly, in the event of the liquidation or winding-up of CSG, the rights and claims of the Holders against CSG in respect of the Guarantee shall generally rank junior to all claims of CSG Priority Creditors, at least *pari passu* with CSG Parity Obligations and senior to CSG Junior Capital.

Therefore, if the Issuer or the Guarantor, as applicable, were wound up, liquidated or dissolved, the Issuer's or the Guarantor's liquidator would first apply assets of the Issuer or the Guarantor to satisfy all claims of holders of unsubordinated obligations of the Issuer or CSG Priority Creditors, respectively. If the Issuer does not have sufficient assets to settle claims of holders of unsubordinated obligations in full or CSG does not have sufficient assets to settle claims of CSG Priority Creditors in full, the claims of the Holders under the Tier 2 BCNs or the Guarantee, respectively, will not be settled. The Tier 2 BCNs will share equally in payment with the subordinated obligations of the Issuer or the CSG Parity Obligations if the Issuer or the Guarantor, respectively, does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, Holders could lose all or part of their investment.

In addition, if the Tier 2 BCNs are converted into Ordinary Shares following a Contingency Event or a Viability Event, each Holder will be effectively further subordinated due to their conversion from being the holder of a debt instrument to being the holder of Ordinary Shares and there is an enhanced risk that Holders will lose all or some of their investment.

Holders may receive cash instead of Ordinary Shares upon a Contingency Event.

Holders may not receive Ordinary Shares upon a Contingency Event because the Issuer or CSG may elect, in its sole and absolute discretion, to appoint a Settlement Shares Offer Agent for the Holders to conduct a

Settlement Shares Offer of the Ordinary Shares. In the event a Settlement Shares Offer is fully subscribed, Holders shall be entitled to receive, in respect of each Ordinary Share to which they were otherwise entitled, cash proceeds received from the Settlement Shares Offer in an amount equal to the Conversion Price. In the event that the Ordinary Shares Offer is only partially subscribed, Holders shall in aggregate be entitled to receive on a pro rata basis (a) cash proceeds received from such Settlement Shares Offer in an amount equal to the Conversion Price multiplied by the aggregate number of Ordinary Shares subscribed together with (b) the number of Ordinary Shares not subscribed pursuant to the Settlement Shares Offer. Because, in the event of a Contingency Event, investors are likely to receive Ordinary Shares at a time when both the conversion ratio and the market price of the Ordinary Shares are diminished, the cash value of the Ordinary Shares received upon the sale could be substantially lower than the price paid for the Tier 2 BCNs at the time of their purchase.

No interest or other compensation is payable for the delivery of cash sums or Ordinary Shares in the circumstances described above after the date of the relevant Contingency Event Notice or, as the case may be, Viability Event Notice.

Each Holder may, subject to certain conditions, deliver a Disposal Notice to the Paying and Conversion Agent requesting the Issuer to dispose of the Ordinary Shares otherwise to be delivered to such Holder. The Issuer may, in its sole and absolute discretion, elect to undertake such disposal.

Receipt by the Settlement Shares Depository of the Ordinary Shares shall be good and complete discharge of the Issuer's and CSG's obligations in respect of the Tier 2 BCNs.

Following a Contingency Event Conversion or a Viability Event Conversion, the relevant Ordinary Shares will be delivered by CSG to the Settlement Shares Depository. Receipt by the Settlement Shares Depository of the Ordinary Shares and the payment in cash of any and all accrued (and due) but unpaid interest on such Tier 2 BCNs from (and including) the Issue Date to (but excluding) the date on which the Contingency Event Notice or, as appropriate, the Viability Event Notice is published, by the Paying and Conversion Agent, shall be a good and complete discharge of the Issuer's obligations in respect of the Tier 2 BCNs and the Guarantor's obligations in respect of the Guarantee and a Holder shall have recourse only to the Settlement Shares Depository for the transfer to it of the relevant Ordinary Shares by the Settlement Shares Depository. In no event will Holders be entitled to receive American depositary shares ("ADSs") upon conversion and a Holder may not be able to deposit the Ordinary Shares it receives upon conversion into the ADS deposit facility. Neither the Issuer nor the Guarantor shall have any liability for the performance of the obligations of the Settlement Shares Depository.

There are limited remedies available under the Tier 2 BCNs.

In accordance with the FINMA's requirements for Tier 2 capital, and as more particularly described in "Terms and Conditions of the Tier 2 BCNs — Events of Default", the Tier 2 BCNs contain limited Events of Default, confined to non-payment of sums due on the Tier 2 BCNs for specified periods and the commencement of proceedings for the winding up, dissolution or liquidation of the Issuer or, *inter alia*, the taking of certain proceedings under Swiss bankruptcy and insolvency laws in relation to CSG.

Upon an Event of Default under the Tier 2 BCNs or the Guarantee, Holders have only limited enforcement remedies. In the case of the Issuer, these are limited, in the case of enforcing payment of sums due, to instituting proceedings for, and/or proving in, the winding-up, dissolution or liquidation of the Issuer. In the case of CSG, following an Event of Default and non payment of the relevant sums due within a statutory period following the issue of a writ of payment as required by Swiss insolvency laws, the Holders may only institute proceedings against CSG in Switzerland (but not elsewhere) to enforce their rights under Swiss insolvency laws.

If a Takeover Event occurs, the Tier 2 BCNs may be convertible into unlisted shares or shares in an entity other than CSG.

If a Takeover Event occurs where the Acquirer of CSG has ordinary share capital which is admitted to trading on a Recognised Stock Exchange and the Acquirer agrees to make that share capital available on Conversion, the Tier 2 BCNs shall become convertible into such share capital as more fully described under “Terms and Conditions of the Tier 2 BCNs - Conversion - Qualifying Takeover Event” at the New Conversion Price. There can be no assurance as to the nature of any such Acquirer, or of the risks associated with becoming an actual or potential shareholder in such Acquirer and accordingly a Qualifying Takeover Event may have an adverse effect on the value of the Tier 2 BCNs. Further, a Takeover Event shall occur only where an Acquirer (together with any parties acting in concert with it) acquires legal or beneficial ownership of more than 95 per cent. of the issued Ordinary Shares and as a result the Ordinary Shares are no longer admitted to trading on a Recognised Stock Exchange. Accordingly, there can be no assurance that the acquisition by an Acquirer of less than 95 per cent. of the Ordinary Shares will not have an adverse effect on the value of the Tier 2 BCNs.

If the Ordinary Shares become delisted following a Takeover Event which is not a Qualifying Takeover Event or otherwise, the Tier 2 BCNs shall remain convertible into unlisted Ordinary Shares as more fully described under “Terms and Conditions of the Tier 2 BCNs - Conversion - Conversion Price”. There can be no assurance as to the risks associated with becoming an actual or potential shareholder in unlisted Ordinary Shares and accordingly a Non - Qualifying Takeover Event may have an adverse effect on the value of the Tier 2 BCNs.

The Issuer is also entitled to redeem the Tier 2 BCNs at a fixed price following a Takeover Event as more fully described under “Terms and Conditions of the Tier 2 BCNs - Redemption, Substitution, Variation and Purchase – Redemption due to Takeover Event”.

Holders will not be entitled to any rights with respect to the Ordinary Shares, but will be subject to all changes made with respect to the Ordinary Shares.

The exercise of voting rights and rights related thereto with respect to any Ordinary Shares is only possible after the Share Creation Date and the registration of the person entitled to the Ordinary Shares in CSG’s share register as a shareholder with voting rights in accordance with the provisions of, and subject to the limitations provided in, the articles of association of CSG. Any pecuniary rights, in particular the entitlement to dividends and the ability to sell the Ordinary Shares in the open market, exist without any such registration in the share register.

The Tier 2 BCNs have a long-dated maturity.

The Tier 2 BCNs mature in 2022. The Issuer is under no obligation to redeem the Tier 2 BCNs at any time prior to that date and the Holders shall have no right to call for their redemption at any time. Because of their long-dated maturity, Holders will receive a return of the principal amount of their investment prior to 2022 only if the Issuer elects to redeem the Tier 2 BCNs early.

Holders may be obliged to make a take-over bid in case of a Contingency Event or Viability Event if they take delivery of Ordinary Shares.

Upon the occurrence of a Contingency Event or Viability Event, Holders receiving Ordinary Shares may have to make a take-over bid addressed to the shareholders of CSG pursuant to the rules of the Swiss Stock Exchange and Securities Trading Act (“SESTA”) if their aggregate holdings in CSG exceed 33 and one third per cent. of the voting rights in CSG as a result of the mandatory conversion of the Tier 2 BCNs into Ordinary Shares.

Holders may be subject to disclosure obligations and/or may need approval by CSG's Regulator.

As the Tier 2 BCNs are mandatorily convertible into Ordinary Shares in certain prescribed circumstances described herein, an investment in the Tier 2 BCNs may result in Holders, upon conversion of their Tier 2 BCNs into Ordinary Shares, having to comply with certain disclosure and/or approval requirements pursuant to the SESTA and/or the Swiss Banking Act. Non-compliance with such disclosure and/or approval requirements may lead to the incurrence by Holders of substantial fines and/or suspension of voting rights associated with the Ordinary Shares. Each potential investor should consult its legal advisers as to the terms of the Tier 2 BCNs (in particular as to conversion).

There is no restriction on the amount or type of further securities or indebtedness which the Issuer or CSG may issue.

There is no restriction on the amount or type of further securities or indebtedness which the Issuer or CSG may issue, incur or guarantee, as the case may be, which rank senior to, or *pari passu* with, the Tier 2 BCNs offered hereby, or the Guarantee, respectively. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by Holders on a winding-up of the Issuer under the Tier 2 BCNs or CSG under the Guarantee and may limit the ability of the Issuer and CSG to meet their respective obligations under the Tier 2 BCNs and the Guarantee. In addition, the Tier 2 BCNs do not contain any restriction on CSG issuing securities that may have preferential rights to the Ordinary Shares or securities with similar, different or no Contingency Event or Viability Event provisions.

The credit ratings may not be reliable and changes to the credit ratings could affect the value of the Tier 2 BCNs.

Credit ratings may not reflect the potential impact of all risks relating to the value of the Tier 2 BCNs. Real or anticipated changes in the credit ratings of the Issuer or CSG will generally affect the market value of the Tier 2 BCNs. The Tier 2 BCNs are expected on issue to be rated BBB- by Fitch. There can be no assurance that the methodology of this rating agency will not evolve or that such rating will not be suspended, reduced or withdrawn at any time by Fitch. Further, such credit rating may be revised downwards in the event of a deterioration in the capital position or viability of CSG. A rating is not a recommendation to buy, hold or sell securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Tier 2 BCNs are not covered by any government compensation or insurance scheme and do not have the benefit of any government guarantee.

An investment in the Tier 2 BCNs will not be covered by any compensation or insurance scheme of any government agency of Guernsey, Switzerland or any other jurisdiction and the Tier 2 BCNs and the Guarantee do not have the benefit of any government guarantee. The Tier 2 BCNs and the Guarantee are the obligations of the Issuer and CSG only and Holders must solely look to the Issuer and CSG, respectively, for the performance of the Issuer's and CSG's obligations under the Tier 2 BCNs and the Guarantee. In the event of the insolvency of the Issuer or CSG, a Holder may lose all or some of its investment in the Tier 2 BCNs.

CSG is a holding company and relies on its subsidiaries for all funds necessary to meet its financial obligations.

CSG is a holding company and its subsidiaries conduct all of its operations and own all of its assets. CSG has no significant assets other than the partnership interests, stock and other equity interests in its subsidiaries. CSG's subsidiaries are separate and distinct legal entities and, under certain circumstances, legal and contractual restrictions may limit the ability of these subsidiaries to provide CSG with funds for CSG's payment obligations, whether by dividends, distributions, loans or other payments. Any distribution of earnings to CSG from its subsidiaries, or advances or other distributions of funds by these subsidiaries to

CSG, all of which are subject to statutory or contractual restrictions, are contingent upon the subsidiaries' earnings and are subject to various business considerations. On any liquidation, dissolution or winding-up of the Group, CSG's guarantee of the Tier 2 BCNs is structurally subordinated and, as a result, other creditors may be entitled to repayment before CSG's assets are available to satisfy its obligations under the Guarantee.

No public market exists for the Tier 2 BCNs, and there are uncertainties regarding the existence of any trading market for the Tier 2 BCNs.

The Tier 2 BCNs are new securities which may not be widely distributed and for which there is currently no active trading market. Although the Lead Manager has advised the Issuer and the Guarantor that it intends to make a market in the Tier 2 BCNs, it is not obligated to do so and may discontinue market-making activities at any time without notice.

If the Tier 2 BCNs are traded after their initial issuance, they may trade at a discount to their issue price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, CSG's results of operations, fluctuations in CSG's Capital Ratio and the market price of the Ordinary Shares. Therefore, investors may not be able to sell their Tier 2 BCNs easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Tier 2 BCNs as they are especially sensitive to interest rate, currency and market risks, are designed for specific objectives and may meet the investment requirements and mandates of limited categories of investors. These types of Tier 2 BCNs generally would have a more limited secondary market and more price volatility than conventional debt securities.

Although applications will be made for the Tier 2 BCNs to be listed on the SIX Swiss Exchange, there can be no assurance that such applications will be accepted or that an active trading market in the Tier 2 BCNs will develop. Accordingly, there can be no assurance as to the development or liquidity of any trading market for the Tier 2 BCNs. Illiquidity may have a severely adverse effect on the market value of the Tier 2 BCNs.

The market value of the Tier 2 BCNs may be influenced by unpredictable factors.

Many factors, most of which are beyond the Issuer's control, will influence the value of the Tier 2 BCNs and the price, if any, at which securities dealers may be willing to purchase or sell the Tier 2 BCNs in the secondary market, including:

- (i) the trading price of the Ordinary Shares;
- (ii) the creditworthiness of the Issuer and CSG and, in particular, the level of CSG's Capital Ratio from time to time;
- (iii) supply and demand for the Tier 2 BCNs; and
- (iv) economic, financial, political or regulatory events or judicial decisions that affect the Issuer and CSG or the financial markets generally.

Accordingly, if a Holder sells its Tier 2 BCNs in the secondary market, it may not be able to obtain a price equal to the principal amount of the Tier 2 BCNs or a price equal to the price that it paid for the Tier 2 BCNs.

Since Holders receive Ordinary Shares upon a Contingency Event or Viability Event, they are particularly exposed to changes in the market price of the Ordinary Shares.

Many investors in convertible or exchangeable securities seek to hedge their exposure in the underlying equity securities at the time of acquisition of the convertible or exchangeable securities, often through short selling of the underlying equity securities or through similar transactions. Prospective investors in the Tier 2 BCNs may look to sell Ordinary Shares in anticipation of taking a position in, or during the term of, the Tier 2 BCNs. This could cause downward pressure on the price of the Ordinary Shares. Since the Tier 2 BCNs will

mandatorily convert into a variable number of Ordinary Shares upon a Contingency Event or Viability Event, the price of the Ordinary Shares may be more volatile if CSG is trending toward a Contingency Event or Viability Event.

Holders are subject to interest rate risks.

Because the Tier 2 BCNs bear a fixed rate of interest, an investment in the Tier 2 BCNs involves the risk that subsequent changes in market interest rates may adversely affect the value of the Tier 2 BCNs.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to assess the terms of the Tier 2 BCNs (including as to conversion) and to determine whether and to what extent (1) Tier 2 BCNs are legal investments for it, (2) Tier 2 BCNs can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Tier 2 BCNs. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Tier 2 BCNs under any applicable risk-based capital or similar rules.

FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference statements that constitute forward-looking statements. In addition, in the future the Issuer and CSG, and others on their behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to CSG's plans, objectives or goals; CSG's future economic performance or prospects; the potential effect on CSG's future performance of certain contingencies; and assumptions underlying any such statements.

Words such as "believes", "anticipates", "expects", "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer and CSG do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, simulations and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access capital markets; (ii) market and interest rate fluctuations; (iii) the strength of the global economy in general and the strength of the economies of the countries in which CSG conducts operations, in particular the risk of a continued U.S. or global economic downturn in 2012 and beyond; (iv) the direct and indirect impacts of continuing deterioration of subprime and other real estate markets; (v) further adverse rating actions by credit rating agencies in respect of structured credit products or other credit-related exposures or of monoline insurers; (vi) the ability to achieve our strategic objectives, including improved performance, reduced risks, lower costs and more efficient use of capital; (vii) the ability of counterparties to meet their obligations to CSG; (viii) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (ix) political and social developments, including war, civil unrest or terrorist activity; (x) the possibility of foreign exchange controls, expropriation, nationalisation or confiscation of assets in countries in which CSG conducts operations; (xi) operational factors such as systems failure, human error, or the failure to implement procedures properly; (xii) actions taken by regulators with respect to CSG's business and practices in one or more of the countries in which CSG conducts operations; (xiii) the effects of changes in laws, regulations or accounting policies or practices; (xiv) competition in geographic and business areas in which CSG conducts operations; (xv) the ability to retain and recruit qualified personnel; (xvi) the ability to maintain CSG's reputation and promote CSG's brands; (xvii) the ability to increase market share and control expenses; (xviii) technological changes; (xix) the timely development and acceptance of CSG's new products and services and the perceived overall value of these products and services by users; (xx) acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; (xxi) the adverse resolution of litigation and other contingencies; (xxii) the ability to achieve CSG's cost efficiency goals and other cost targets; and (xxiii) CSG's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive; when evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated in, and form part of, this Prospectus:

- (1) the Form 6-K of Credit Suisse and Credit Suisse Group filed with the United States Securities and Exchange Commission (the “SEC”) on 5 March 2012 (the “Form 6-K Dated 5 March 2012”), which contains the media release regarding the tender offer to repurchase certain outstanding tier 1 and tier 2 securities;
- (2) the Form 6-K of Credit Suisse Group filed with the SEC on 9 February 2012 (the “Fourth Quarter Form 6-K Dated 9 February 2012”), which contains the 2011 Fourth Quarter Financial Report of the Group, except that the information on pages 1-2 under “Dear Shareholders” and on pages 168-169 under “Investor Information” is not incorporated by reference;
- (3) the Form 6-K of Credit Suisse and Credit Suisse Group filed with the SEC on 15 November 2011 (the “Form 6-K Dated 15 November 2011”), which contains the media release regarding the planned integration of Clariden Leu;
- (4) the Form 6-K of Credit Suisse Group filed with the SEC on 10 November 2011 (the “Third Quarter Form 6-K Dated 10 November 2011”), which contains the 2011 Third Quarter Financial Report of the Group, except that the information on pages 1-2 under “Dear Shareholders” and on pages 168-169 under “Investor Information” is not incorporated by reference;
- (5) the Form 6-K of Credit Suisse Group filed with the SEC on 1 November 2011 (the “Form 6-K Dated 1 November 2011”), which contains the 2011 Third Quarter Financial Release of the Group, except that the information on pages 1-2 under “Dear Shareholders” and on pages 128-129 under “Investor Information” is not incorporated by reference;
- (6) the Form 6-K of Credit Suisse Group filed with the SEC on 10 August 2011 (the “Form 6-K Dated 10 August 2011”), which contains the 2011 Half-Yearly Group Financial Statements;
- (7) the Form 6-K of Credit Suisse Group filed with the SEC on 9 August 2011 (the “Second Quarter Form 6-K Dated 9 August 2011”), which contains the 2011 Second Quarter Financial Report of the Group, except that the information on pages 1-2 under “Dear Shareholders” and on pages 172-173 under “Investor Information” is not incorporated by reference;
- (8) the Form 6-K of Credit Suisse Group filed with the SEC on 28 July 2011 (the “Form 6-K Dated 28 July 2011”), which contains the 2011 Second Quarter Financial Release of the Group, except that the information on pages 1-2 under “Dear Shareholders” and on pages 132-133 under “Investor Information” is not incorporated by reference;
- (9) the Form 6-K of Credit Suisse Group filed with the SEC on 10 May 2011 (the “First Quarter Form 6-K Dated 10 May 2011”), which contains the 2011 First Quarter Financial Report of the Group, except that the information on pages 2-3 under “Dear Shareholders” and on pages 164-165 under “Investor Information” is not incorporated by reference;
- (10) the Form 6-K of Credit Suisse and Credit Suisse Group filed with the SEC on 4 May 2011 (the “Form 6-K Dated 4 May 2011”), which contains the media release regarding the Annual General Meeting of the Group, except that the information in the Exhibit to the Form 6-K Dated 4 May 2011 on page 2 under the headings “Statements by Hans-Ulrich Doerig” and “Statements by Urs Rohner”, and on page 3 under the headings “Information” and “Credit Suisse AG” is not incorporated by reference;

- (11) the Form 6-K of Credit Suisse Group filed with the SEC on 27 April 2011 (the “Form 6-K Dated 27 April 2011”) which contains the 2011 First Quarter Financial Release of the Group, except that the information on pages 1-2 under “Dear Shareholders” and on pages 124-125 under “Investor Information” is not incorporated by reference;
- (12) the Form 20-F of Credit Suisse and Credit Suisse Group filed with the SEC on 25 March 2011 (the “Credit Suisse Annual Report 2010”), which contains the 2010 Annual Report of the Group, except that the information on pages 3-5 under “Message from the Chairman and the Chief Executive Officer” and on pages 510-511 under “Investor Information” is not incorporated by reference;
- (13) the Form 6-K of Credit Suisse and Credit Suisse Group filed with the SEC on 24 March 2011 (the “Form 6-K Dated 24 March 2011”), which contains the media release regarding the Annual General Meeting of Credit Suisse Group; and
- (14) the Form 20-F of Credit Suisse and Credit Suisse Group filed with the SEC on 26 March 2010 (the “Annual Report 2009”), which contains the 2009 Annual Report of the Group, except that the information on pages 2-6 under “Dear Shareholders, Clients and Colleagues” and on pages 484-485 under “Investor Information” is not incorporated by reference.
- (15) The articles of association of the Guarantor are incorporated herein by reference and are available on the website at www.credit-suisse.com.
- (16) The articles of incorporation of the Issuer are incorporated herein by reference and are available for inspection from its registered office at Helvetia Court, South Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3WF.

Following the publication of this Prospectus a supplement may be prepared by the Issuer and the Guarantor. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus as well as the Prospectus and any supplements thereto, if any, are available free of charge in Switzerland at the office of Credit Suisse AG, Uetlibergstrasse 231, CH-8070, Zurich, Switzerland, (telephone: +41 (0)44 333 43 73, facsimile: +41 (0)44 333 67 86 or email newissues.fixedincome@credit-suisse.com).

Copies of documents incorporated by reference in this Prospectus can also be obtained, free of charge, from Credit Suisse Group (Guernsey) IV Limited, Helvetia Court, South Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3WF, the registered office of the Issuer and on the website of CSG (www.credit-suisse.com). A copy of the documents filed by the Issuer and the Guarantor with the SEC may also be obtained either on the SEC’s website at www.sec.gov at the SEC’s public reference room or on the website of CSG at http://www.credit-suisse.com/investors/en/sec_filings.jsp. Information contained on the website of CSG is not incorporated by reference in this Prospectus.

INFORMATION REGARDING CALCULATION OF CAPITAL RATIOS

This section presents certain summary information regarding CSG's Capital Ratios, including historical information on the Core Tier 1 Ratio and its components, as well as certain forward-looking information on the simulated CET1 Ratio. Capitalised terms used in this section but not defined herein shall have the meanings assigned to them elsewhere in this Prospectus. For detailed definitions of each of the Capital Ratios and their components see "Terms and Conditions of the Tier 2 BCNs – Definitions."

If at any time while any of the Tier 2 BCNs are outstanding a Contingency Event or a Viability Event occurs, the Tier 2 BCNs shall automatically convert into Ordinary Shares, as described under "Terms and Conditions of the Tier 2 BCNs – Conversion." A Contingency Event shall have occurred once CSG gives notice to Holders that in respect of a Quarterly Financial Period ending (a) prior to the Basel III Regulations Date, the Core Tier 1 Ratio is below the Threshold Ratio or (b) on or after the Basel III Regulations Date, the CET1 Ratio is below the Threshold Ratio, in each case as at the date of the financial statements contained in CSG's most recent quarterly report. However, no such Contingency Event Conversion shall occur if either (a) the Regulator, at the request of CSG, has agreed on or prior to the publication of the relevant Quarterly Financial Report that a Contingency Event Conversion shall not occur or (b) at the relevant time, a Basel III Implementation Event applies, in each case as described under "Terms and Conditions of the Tier 2 BCNs – Conversion – Conversion upon a Contingency Event or a Viability Event". Set out below is a description of the methodology for the calculation of CSG's historical and simulated Capital Ratios included in this Prospectus.

Assumptions and data used in the calculation of CSG's simulated CET1 Ratio as at 1 January 2013 (the "2013 CET1 Ratio"), including the corresponding CET1 Amount and RWA Amount, are based on CSG's current expectations and forecasts about future events (including CSG's ability to utilise net deferred tax assets on net operating losses), analyst consensus forecasts in the case of earnings, and an assumption that dividends will remain constant from the amount proposed in respect of 2011 and that 50 per cent. of such dividends will be paid in shares. Therefore the information presented herein is subject to significant uncertainties that could cause CSG's actual 2013 CET1 Ratio to differ. These uncertainties include, among other things, the growth of CSG's business and its future net income, expected dividend payments by CSG, regulatory changes (including possible changes in regulatory capital definitions and calculations), CSG's ability to mitigate RWAs in rates, securitised products, credit, emerging markets and exit businesses in Investment Banking, and, more generally, the other factors listed in "Forward Looking Statements" and "Risk Factors". Any one or more of these factors could cause CSG's Core Tier 1 Ratio or actual 2013 CET1 Ratio to differ materially from those expressed or implied by the simulations included in this Prospectus. Statements contained in this Prospectus regarding past performance, including historical Capital Ratios and RWA Amounts, trends or activities should not be taken as a representation that such performance, trends or activities will continue in the future.

In addition, it should be noted that the simulated 2013 CET1 Ratio was derived in a modeling process based on certain additional underlying assumptions regarding the final rules that are expected to be adopted by the FINMA regarding the implementation of Basel III, which may prove to be incorrect. For example, if the final rules adopted by the FINMA are different from those upon which CSG based its simulated 2013 CET1 Ratio, CSG's actual 2013 CET1 Ratio could be materially different from its simulations and may cause it to breach the Threshold Ratio earlier than may otherwise would have been the case.

Furthermore, the calculation of historical Capital Ratios presented below is based on historical data derived from the Credit Suisse Group Fourth Quarter Form 6-K dated 9 February 2012 incorporated by reference herein, as adjusted to take into account certain changes in methodology adopted in February 2011, as a result of which CSG may no longer include the absolute aggregate amount of all items constituting 50 per cent.

deductions from tier 1 capital in Core Tier 1 Amounts. Core Tier 1 Amounts for all periods presented in this Prospectus have been conformed to comply with the new methodology.

Since 2008, CSG has operated under the international capital adequacy standards known as Basel II set forth by the Basel Committee on Banking Supervision (BCBS) as implemented by FINMA, with some additional requirements for large Swiss banks known as “Swiss Finish”.

In January 2011, as required by FINMA, CSG implemented BCBS’s “Revisions to the Basel II market risk framework” (Basel II.5), for FINMA regulatory capital purposes. As a result, throughout 2011, CSG reported total eligible capital, risk-weighted assets (RWA) and capital ratios to FINMA on a Basel II.5 basis. However, CSG’s external financial reports generally have been prepared under Basel II standards because the BCBS did not require the implementation of Basel II.5 for Bank for International Settlements (BIS) purposes until 31 December, 2011.

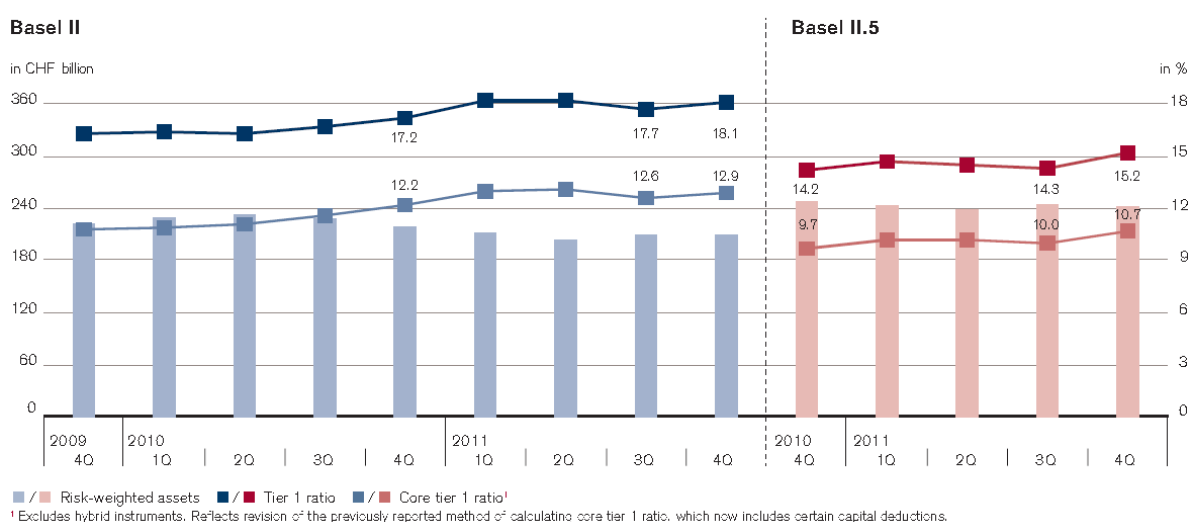
These standards affect the measurement of both eligible capital and RWA. The Basel II.5 revisions included an incremental risk charge for default and migration risk and a stressed Value at Risk (VaR) framework. As a result CSG had an increase in RWA and an additional deduction for securitization tranches with low ratings held in trading books mainly related to the Investment Banking securitised products business.

Under Basel II/II.5 capital frameworks, BIS tier 1 capital consists of total shareholders’ equity, qualifying noncontrolling interests and hybrid tier 1 capital. For further information on capital structure, refer to the chart “Capital structure – Basel II/II.5 “Swiss Finish” in the Fourth Quarter Form 6-K dated 9 February 2012 incorporated by reference herein.

For more information, refer to “IV – Treasury, risk, balance sheet and off-balance sheet – Treasury management – Regulatory capital developments and proposals” in the Fourth Quarter Form 6-K dated 9 February 2012 and the Credit Suisse Annual Report 2010 incorporated by reference herein.

The graphic below summarises information regarding CSG’s historical core tier 1 ratios, tier 1 ratios and risk-weighted assets for each Quarterly Financial Period presented:

Risk-weighted assets and capital ratios – Group



For additional information regarding historical core tier 1 ratios, tier 1 capital ratios and risk-weighted assets, see “Credit Suisse Group AG – Capital Adequacy.”

The table below summarises information regarding CSG's simulated 2013 CET1 Ratio:

CET1 ratio simulation

	end of
Capital development (CHF billion)	
Total shareholders' equity – December 31, 2011	33.7
Regulatory deductions:	
Fair value own debt ¹	(2.6)
Dividend accrual ²	(0.5)
CET1 capital – December 31, 2011	30.6
Consensus net income 2012 ³	3.8
Dividend assumption 2012 ⁴	(0.5)
Share-based compensation and other impacts	2.6
CET1 capital – January 1, 2013	36.5
Risk-weighted assets (RWA) development (CHF billion)	
RWA (Basel II.5) – December 31, 2011	242
Estimated Basel III changes	97
RWA (Basel III before reduction)	339
Reduction of RWA	(56)
RWA (Basel III) – January 1, 2013⁵	283
Capital ratio (%)	
CET1 ratio	12.9

¹ Fair value own debt represents the fair value changes from movements in spreads on our own vanilla debt and structured notes, net of tax. ² Represents a dividend of CHF 0.75 per share of which 50% is assumed to be distributed in shares. ³ Bloomberg consensus net income estimate is not endorsed or verified and is used solely for illustrative purposes. Actual net income may differ significantly. ⁴ Assumed to be the same as the dividend accrual in 2011 and is used solely for illustrative purposes. Actual dividends may differ significantly. ⁵ Under our strategic business plan, business growth will require reallocation of capital, because we are targeting no gross increase in risk-weighted assets.

As Basel III will not be implemented before 1 January 2013, CSG has calculated its Basel III RWA for purposes of the simulation above in accordance with the currently proposed requirements and its current interpretation of such requirements, including relevant assumptions. Changes in the actual implementation of Basel III would result in different numbers from those shown.

As described above, there can be no assurance that the simulated 2013 CET1 Ratio will eventually prove to be accurate and investors should be aware that a number of factors, including inaccurate assumptions, those factors expressly noted above or known or unknown risks and uncertainties, many of which are beyond the control of CSG and its management, may result in an actual 2013 CET1 Ratio that is materially different from the simulated 2013 CET1 Ratio included herein. Due to the significant uncertainties inherent in CSG's assumptions, investors should not rely on these simulations when making their investment decisions, but should undertake their own independent evaluation of the assumptions underlying CSG's simulations.

CSG's simulations were not prepared with a view toward compliance with GAAP or consistency with its audited financial statements. Moreover, neither CSG's independent auditors, KPMG, nor any other independent consultants, have examined, compiled or performed any procedures with respect to the historical or simulated Core Tier 1 Ratios or CET1 Ratios, nor have they expressed any opinion or any other form of assurance on such information or its achievability and, accordingly, KPMG assumes no responsibility for, and disclaims any association with, the Capital Ratios. The report of KPMG incorporated by reference into this Prospectus refers exclusively to CSG's historical financial information and does not cover the Capital Ratios included herein and should not be read to do so.

TERMS AND CONDITIONS OF THE TIER 2 BCNS

PART A

The following (excluding this paragraph) is the text of the terms and conditions (the “Conditions”) that, subject as supplemented, completed, or amended pursuant to the provisions of the relevant Pricing Schedule, shall be applicable to the Tier 2 BCNs. The full text of these Conditions together with the provisions of the relevant Pricing Schedule (as defined below) shall be annexed to the Permanent Global Certificate relating to the Tier 2 BCNs. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Pricing Schedule.

The Tier 2 Buffer Capital Notes (“**Tier 2 BCNs**”) are issued by Credit Suisse Group (Guernsey) IV Limited (the “**Issuer**”), and are subject to these terms and conditions (the “**Conditions**”) and the detailed provisions of the pricing schedule relating to the Tier 2 BCNs (the “**Pricing Schedule**”). In the event of any inconsistency between these Conditions and the Pricing Schedule, the Pricing Schedule shall prevail. The form of the Permanent Global Certificate referred to below is set out in a purchase agreement (the “**Purchase Agreement**”) dated 20 March 2012 between the Issuer, Credit Suisse Group AG (“**CSG**” or, as guarantor in relation to the Tier 2 BCNs, the “**Guarantor**”) and the Syndicate Banks (as defined therein). Pursuant to an agency agreement dated 20 March 2012, the Issuer and the Guarantor appoint a paying and conversion agent (the “**Paying and Conversion Agent**”) and calculation agent (the “**Calculation Agent**”). A share delivery agent (the “**Share Delivery Agent**”) is appointed under a share delivery agency agreement dated 20 March 2012 with the Issuer and the Guarantor. For so long as this Tier 2 BCN is issued by Credit Suisse Group (Guernsey) IV Limited, the payment of all amounts in respect of this Tier 2 BCN and the performance by the Issuer of its other obligations hereunder are guaranteed by the Guarantor under the terms of a guarantee dated the Issue Date in favour of the Holders (the “**Guarantee**”).

1. Denomination

- (a) Each Tier 2 BCN will be issued in the Specified Denomination(s) specified in the relevant Pricing Schedule.
- (b) This Tier 2 BCN is a Fixed Rate Tier 2 BCN, a Floating Rate Tier 2 BCN or a Fixed/Floating Rate Tier 2 BCN, depending upon the Interest Basis shown in the relevant Pricing Schedule.

2. Form and Title

- (a) The Tier 2 BCNs and all rights in connection therewith are documented in the form of a Permanent Global Certificate in accordance with article 973b of the Swiss Code of Obligations (*Globalurkunde*) which shall be deposited by the Paying and Conversion Agent with SIX SIS or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIX SIS or any such other intermediary, the “**Intermediary**”).
- (b) Once the Permanent Global Certificate is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Tier 2 BCNs will constitute intermediated securities (*Bucheffekten*) (“**Intermediated Securities**”) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).
- (c) Each holder of a Tier 2 BCN (a “**Holder**” and, collectively, the “**Holders**”) shall have a quotal co-ownership interest (*Miteigentumsanteil*) in the Permanent Global Certificate to the extent of its claim against the Issuer, provided that for so long as the Permanent Global Certificate remains deposited with the Intermediary the co-ownership interest shall be suspended and the Tier 2 BCNs may only be transferred by the entry of the transferred Tier 2 BCNs in a securities account of the transferee.

- (d) The records of the Intermediary will determine the number of Tier 2 BCNs held through each participant of that Intermediary. In respect of Tier 2 BCNs held in the form of Intermediated Securities, the Holders will be the persons holding the Tier 2 BCNs in a securities account (*Effektenkonto*) which is in their name, or in the case of intermediaries (*Verwahrungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the Tier 2 BCNs for their own account in a securities account (*Effektenkonto*) which is in their name.
- (e) The conversion of the Permanent Global Certificate into uncertificated securities (*Wertrechte*) or individually certificated securities (*Wertpapiere*) is excluded. Neither the Issuer nor the Holders nor the Paying and Conversion Agent nor any other party shall at any time have the right to effect or demand the conversion of the Permanent Global Certificate into, or the delivery of uncertificated securities (*Wertrechte*) or individually certificated securities (*Wertpapiere*). No physical delivery of the Tier 2 BCNs shall be made.

3. Status and Subordination of the Tier 2 BCNs

(a) Status

The Tier 2 BCNs 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 3(b).

(b) Subordination

- (i) Subject as provided below, in the event of an order being made, or an effective resolution being passed, for the liquidation, dissolution or winding-up of the Issuer by reason of insolvency, bankruptcy or otherwise (except, in any such case, a solvent liquidation, dissolution 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 either a successor in business of the Issuer or CSG, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved by an Extraordinary Resolution and (y) do not provide that the Tier 2 BCNs shall thereby become redeemable or repayable in accordance with these Conditions), the rights and claims of the Holders against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Tier 2 BCNs shall, subject to any obligations which are mandatorily preferred by law, rank junior to the claims of all holders of unsubordinated obligations of the Issuer, at least *pari passu* with the claims of holders of all other unsecured subordinated obligations of the Issuer and senior to the claims of holders of all subordinated obligations of the Issuer in respect of Tier 1 Instruments and to the claims of holders of all classes of share capital of the Issuer, *provided that*, if at any such time a Substitution Date has not occurred but an order has been made or an effective resolution has been passed for the liquidation or winding-up of CSG, any amount payable to Holders shall not exceed the amount per Tier 2 BCN that would be paid as a liquidation distribution out of the assets of CSG had the Tier 2 BCNs and any other obligations ranking *pari passu* with the Tier 2 BCNs been obligations of CSG ranking *pari passu* with CSG Parity Obligations.
- (ii) On or after a Substitution Date, where CSG is the new issuer of the Tier 2 BCNs, in the event of an order being made, or an effective resolution being passed, for the liquidation or winding-up of CSG (except, in any such case, a solvent liquidation or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of CSG or the substitution in place of CSG of a successor in business of CSG, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved by an Extraordinary

Resolution and (y) do not provide that the Tier 2 BCNs shall thereby become redeemable or repayable in accordance with these Conditions):

- (a) prior to the occurrence of a Contingency Event or a Viability Event, the claims of the Holders against CSG in respect of or arising under the Tier 2 BCNs shall rank (i) junior to all claims of CSG Priority Creditors, (ii) at least *pari passu* with CSG Parity Obligations and (iii) senior to the rights and claims of all holders of CSG Junior Capital;
- (b) on and after the occurrence of a Contingency Event or a Viability Event, the rights and claims of Holders against CSG under the Tier 2 BCNs in respect of any Accrued Conversion Interest shall rank in the manner described in Condition 3(b)(ii)(a) above; and
- (c) on and after the occurrence of a Contingency Event or a Viability Event and an announcement that CSG is unable to create and issue the Ordinary Shares so as to fulfil the provisions of Conversion set out in Condition 7(a), the claims of the Holders in respect of the delivery of Ordinary Shares in accordance with Condition 7 will convert to a monetary claim of such Holder against CSG to participate in the liquidation proceeds of CSG with a claim per Tier 2 BCN for a sum equal to that which holders of the number of Ordinary Shares into which such Tier 2 BCNs should have been converted at the then Conversion Price would receive out of the liquidation proceeds of CSG.

(c) **Definitions**

As used herein:

“**CSG Priority Creditors**” means creditors of CSG whose claims are in respect of debt and other obligations (including those in respect of bonds, notes, debentures and guarantees) which are unsubordinated;

“**CSG Parity Obligations**” means (i) all obligations of CSG in respect of Tier 2 Instruments and (ii) any other securities or obligations (including any guarantee, credit support agreement or similar undertaking) of CSG that rank, or are expressed to rank, *pari passu* with the Tier 2 BCNs or any CSG Parity Obligation; and

“**CSG Junior Capital**” means (i) all subordinated obligations of CSG in respect of undated Tier 2 Instruments, (ii) all securities or other obligations of CSG in respect of Tier 1 Instruments and (iii) all classes of paid-in capital in relation to shares (and participation certificates, if any) of CSG.

4. Guarantee; Status and Subordination of the Guarantee

(a) **Guarantee and Status**

The Guarantor has, in the Guarantee, irrevocably guaranteed the due and punctual payment of all principal, premium and interest and any other sums from time to time expressed to be payable by the Issuer in respect of the Tier 2 BCNs, the delivery of Ordinary Shares in accordance with Condition 7 and the performance by the Issuer of its other obligations under the Tier 2 BCNs. The obligations of the Guarantor under the Guarantee constitute direct and unsecured obligations of the Guarantor, subordinated as described in Condition 4(b).

(b) **Subordination**

The Guarantee provides that in the event of an order being made, or an effective resolution being passed, for the liquidation or winding-up of the Guarantor by reason of insolvency, bankruptcy or

otherwise (except, in any such case, a solvent liquidation or winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation of CSG or the substitution in place of CSG of a successor in business of CSG, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved by an Extraordinary Resolution and (y) do not provide that the Tier 2 BCNs shall thereby become redeemable or repayable in accordance with these Conditions), the rights and claims of the Holders against the Guarantor in respect of or arising under (including any damages awarded for breach of any obligation under) the Guarantee shall rank in the same manner as set out in Condition 3(b)(ii).

5. Set-off

Subject to applicable law and as provided for in Condition 7(a), no Holder may 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 Tier 2 BCNs, and each Holder shall, by virtue of his holding of any Tier 2 BCN, be deemed to have waived all such rights of set-off, compensation or retention. 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 Tier 2 BCNs 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 Tier 2 BCNs*

Each Fixed Rate Tier 2 BCN 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 Tier 2 BCNs*

(i) *Interest Payment Dates*

Each Floating Rate Tier 2 BCN 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 Tier 2 BCNs*

The Floating Rate of Interest in respect of Floating Rate Tier 2 BCNs 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 Tier 2 BCNs is specified in the relevant Pricing Schedule as being other than LIBOR or EURIBOR, the Floating Rate of Interest in respect of such Tier 2 BCNs 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 subparagraph (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 Tier 2 BCNs***

Each Fixed/Floating Rate Tier 2 BCN 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) Where a Tier 2 BCN is to be redeemed pursuant to Condition 8(c), 8(d), 8(e) or 8(f), interest shall accrue up to (but excluding) the due date for redemption, and shall cease to accrue on such Tier 2 BCN 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) In the case of a Conversion in respect of the Tier 2 BCNs pursuant to Condition 7, interest shall accrue on the principal amount of each Tier 2 BCN up to (but excluding) the date of the relevant Contingency Event Notice or, as the case may be, Viability Event Notice, and interest shall cease to accrue on each Tier 2 BCN with effect from the relevant Contingency Event Notice or, as the case may be, Viability Event 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 Tier 2 BCN 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 Tier 2 BCN 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, the Guarantor, each of the Paying and Conversion Agents, the Holders, any other Calculation Agent appointed in respect of the Tier 2 BCNs that is to make a further calculation upon receipt of such information and, if the Tier 2 BCNs 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 Tier 2 BCNs as provided in Condition 12(a) and (b), the accrued interest and the Rate of Interest payable in respect of the Tier 2 BCNs 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***

Neither the Issuer nor the Guarantor shall be entitled to defer or cancel any payments of interest or any other amounts payable in respect of the Tier 2 BCNs.

(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 Business 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 Business Centre(s) or, if no currency is indicated, generally in each of such Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Tier 2 BCN 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:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” 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 D₁ is greater than 29, in which case D₂ 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 Tier 2 BCN or during the Fixed Interest Rate Period in respect of a Fixed/Floating Rate Tier 2

BCN 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 Tier 2 BCN or during the Floating Interest Rate Period in respect of a Fixed/Floating Rate Tier 2 BCN 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 Tier 2 BCNs, 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 Tier 2 BCNs, 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 or, if earlier, any date fixed for redemption or the date on which the Contingency Event Notice or the Viability Event Notice is published (if any).

“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 Tier 2 BCNs 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 Tier 2 BCN is outstanding. Where more than one Calculation Agent is appointed in respect of the Tier 2 BCNs, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the 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 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. Conversion

(a) ***Conversion upon a Contingency Event or a Viability Event***

- (i) If a Contingency Event occurs at any time while the Tier 2 BCNs are outstanding, each Tier 2 BCN shall, subject to and as provided in this Condition 7, be redeemed and settled (the “**Contingency Event Conversion**”) by the delivery of new fully paid Ordinary Shares to the Settlement Shares Depository on behalf of the Holders on the date specified therefor in the Contingency Event Notice, which shall be no more than 20 Business Days following the occurrence of the Contingency Event (the “**Contingency Event Conversion Settlement Date**”). Subject to Condition 7(c), receipt by the Settlement Shares Depository of the Ordinary Shares shall be a good and complete discharge of the Issuer’s obligations in respect of the Tier 2 BCNs and those of the Guarantor under the Guarantee.

“**Contingency Event**” means that the Issuer or CSG has given a Contingency Event Notice.

“**Contingency Event Notice**” means the notice that the Issuer or CSG shall give to the Holders in accordance with Condition 16 stating that (i) the Capital Ratio is below the Threshold Ratio, in each case as at the date of the financial statements contained in the Quarterly Financial Report published on, or most recently prior to, the date of the Contingency Event Notice and (ii) a Contingency Event Conversion will take place.

The Issuer or CSG shall give any such Contingency Event Notice no later than the fifth Business Day after the date of publication of the relevant Quarterly Financial Report and shall

deliver to the Paying and Conversion Agent a notice stating the terms of the consequent Contingency Event Conversion.

The Contingency Event Notice shall specify the circumstances giving rise to the Contingency Event, the Conversion Price and the Contingency Event Conversion Settlement Date and details of the arrangement for the settlement of the Contingency Event Conversion, including whether or not there is to be a Settlement Shares Offer.

No Contingency Event Notice shall be given, and no Contingency Event Conversion shall therefore occur, if, notwithstanding the Capital Ratio being below the Threshold Ratio as contemplated pursuant to limb (i) of the definition of Contingency Event Notice, either (a) the Regulator, at the request of CSG, has agreed on or prior to the publication of the relevant Quarterly Financial Report that a Contingency Event Conversion shall not occur because it is satisfied that actions, circumstances or events have had, or imminently will have, the effect of restoring the Capital Ratio to a level above the Threshold Ratio that the Regulator and CSG deem, in their absolute discretion, to be adequate at such time or (b) at the relevant time, a Basel III Implementation Event applies.

“Basel III Implementation Event” shall apply only in respect of a Transition Date and if (i) on such Transition Date the Core Tier 1 Ratio is above the Threshold Ratio and (ii) on or before such Transition Date, CSG and the Regulator have agreed that in their opinion a substantial difference exists between the provisions relating to Common Equity Tier 1 Capital contained in (x) the BIS Regulations prevailing on such Transition Date and (y) the Basel III Document had it applied on such Transition Date, which substantial difference has the effect that, as at such Transition Date, the CET1 Amount calculated pursuant to BIS Regulations is materially less than the CET1 Amount as would have been calculated in accordance with the Basel III Document.

“Transition Date” means any of the three dates of the financial statements contained in the three successive Quarterly Financial Reports arising on or immediately following the Basel III Regulations Date.

- (ii) If a Viability Event occurs at any time while the Tier 2 BCNs are outstanding, each Tier 2 BCN shall, subject to and as provided in this Condition 7, be redeemed and settled (the **“Viability Event Conversion”**) by the delivery of new fully paid Ordinary Shares to the Settlement Shares Depository on behalf of the Holders on the date specified therefor in the Viability Event Notice, which date shall be no more than 20 Business Days following the occurrence of the Viability Event (the **“Viability Event Conversion Settlement Date”**). Subject to Condition 7(c), receipt by the Settlement Shares Depository of the Ordinary Shares shall be a good and complete discharge of the Issuer’s obligations in respect of the Tier 2 BCNs and those of the Guarantor under the Guarantee.

“Viability Event” means that:

- (a) the Regulator has notified CSG that it has determined that Conversion of the Tier 2 BCNs, together with the conversion or write off of holders’ claims in respect of any other 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 off at that time 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; or
- (c) the Capital Ratio contained in any Interim Capital Report is below 5 per cent. and as a consequence the conversion into equity or write off of any or all Progressive Capital Instruments in issue at such time occurs or, in the determination of the Regulator, would have occurred but for Conversion of the Tier 2 BCNs and the conversion or write off of all other Buffer Capital Instruments that, pursuant to their terms or by operation of law, are capable of being converted into equity or written off at that time.

"Interim Capital Report" means, in respect of an Interim Report Date, a report based on the financial accounts of CSG and the Group containing, *inter alia*, the Capital Ratio as at such Interim Report Date prepared by CSG in respect of the Tier 2 BCNs and any Progressive Capital Instruments in issue upon request of the Regulator 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 financial accounts and the Capital Ratio set out in an Interim Capital Report have been prepared;

"Progressive Capital Instruments" means, at any time, any or all securities or other instruments issued by CSG or a member of the Group, as the case may be, that are, at such time, eligible to be treated as Progressive Component Capital (excluding, for the avoidance of doubt, Common Equity Tier 1 Capital and any Buffer Capital Instruments);

"Progressive Component Capital" means, at any time, any or all items that are eligible to be treated as progressive component capital (*progressive Komponente*) pursuant to National Regulations at that time implementing the Swiss draft ordinance concerning capital adequacy and risk diversification for banks and securities traders (in its version of 5 December 2011) in relation to the revised Swiss Banking Act concerning "too big to fail", which shall, if entered into force, be applicable to CSG;

"Public Sector" means the federal or central government or central bank in CSG's country of incorporation.

"Viability Event Notice" means the notice that the Issuer or CSG shall give to the Holders stating that a Viability Event has occurred, which notice shall be given, in accordance with Condition 16, no later than three Business Days after the occurrence of a Viability Event.

The Viability Event Notice shall specify the circumstances giving rise to the Viability Event (including where the circumstances giving rise to the relevant Viability Event are as described in paragraph (c) of the definition of Viability Event, all relevant details from the relevant Interim Capital Report), the Conversion Price and the Viability Event Conversion Settlement Date and details of the arrangements for the settlement of the Viability Event Conversion.

- (iii) If a Contingency Event or Viability Event occurs, the Tier 2 BCNs will be converted in whole and not in part as provided in accordance with Condition 7(a).

- (iv) The Tier 2 BCNs are not convertible into Ordinary Shares at the option of Holders at any time. The Tier 2 BCNs are not redeemable in cash as a result of a Contingency Event or Viability Event.
- (v) Prior to giving the Contingency Event Notice or the Viability Event Notice, the Issuer shall deliver to the Paying and Conversion Agent a certificate signed by two Authorised Signatories of CSG stating that the Contingency Event or, as the case may be, the Viability Event has occurred, and such certificate will be conclusive and binding on the Holders.
- (vi) If a Takeover Event that is a Qualifying Takeover Event shall occur, then, where the relevant Conversion Date falls on or after the QTE Effective Date, each Tier 2 BCN shall, upon the occurrence of the Contingency Event or, as the case may be, the Viability Event, subject to and as provided in this Condition 7(a) and Condition 7(j), be converted into Approved Entity Shares of the Approved Entity.

(b) ***Recourse for Ordinary Shares***

Holders shall have recourse only to the Issuer or, in accordance with and under the provisions of the Guarantee, CSG for the issue and delivery of Ordinary Shares to the Settlement Shares Depository pursuant to these Conditions. After such delivery to the Settlement Shares Depository, Holders shall have recourse only to the Settlement Shares Depository for the delivery to them of such Ordinary Shares or, in the circumstances described in Condition 7(m), any cash amounts to which such Holders are entitled under Condition 7(m).

(c) ***Accrued Conversion Interest***

Upon Conversion, the Issuer shall, or shall procure that CSG shall, pay to the Holders the Accrued Conversion Interest (if any) in respect of the Tier 2 BCNs on the relevant Conversion Date in accordance with Condition 9.

(d) ***Conversion Price***

As at the date on which the Contingency Event Notice or, as the case may be, the Viability Event Notice is published, each Holder shall be deemed to have agreed to and accepted (i) the conversion of its holding of Tier 2 BCNs into Ordinary Shares at the Conversion Price provided for herein and that the Share Delivery Agent shall effect such conversion on their behalf, and (ii) in case of a Conversion occurring on or after the Substitution Date, that its obligation to pay in the Ordinary Shares to be issued shall be set off against the claim for repayment of the principal amount upon redemption of the Tier 2 BCNs, which claim shall be deemed to be due and payable immediately prior to the time on the Share Creation Date when, as a matter of Swiss law, the relevant Ordinary Shares are paid up. Such Ordinary Shares shall be paid up and issued on the Share Creation Date whereupon the Holders shall cease as a matter of Swiss law to be treated for all purposes under Swiss law as Holders and shall instead as of such date be treated for all purposes under Swiss law as Shareholders.

The Issuer, with the assistance of the Share Delivery Agent, shall procure that CSG shall issue or deliver such number of Ordinary Shares to the Settlement Shares Depository on the Conversion Date in respect of each Tier 2 BCN as is determined by dividing the principal amount of a Tier 2 BCN by the Conversion Price in effect on the relevant Conversion Date.

“**Conversion Price**” means, (i) at any time when the Ordinary Shares are admitted to trading on a Recognised Stock Exchange, in respect of any Conversion Date, the greatest of:

- (a) the Reference Market Price of an Ordinary Share on the fifth Zurich Business Day prior to the date of the relevant Contingency Event Notice or, as the case may be, the Viability Event Notice translated, if necessary, into the Specified Currency at the Exchange Rate;
- (b) the Floor Price on the fifth Zurich Business Day prior to the date of the Contingency Event Notice or, as the case may be, the Viability Event Notice; and
- (c) the nominal value of each Ordinary Share on the Share Creation Date (being, at the Issue Date, CHF 0.04) translated, if necessary, into the Specified Currency at the Adjusted Exchange Rate,

or, (ii) without prejudice to Condition 7(j), at any time when the Ordinary Shares are not admitted to trading on a Recognised Stock Exchange by reason of a Non-Qualifying Takeover Event or otherwise, the greater of (b) and (c) above.

“**Reference Market Price**” means, in respect of an Ordinary Share at a particular date, the average of the daily VWAP of an Ordinary Share on each of the 30 consecutive dealing days ending on the dealing day immediately preceding such date (the “**Reference Period**”); provided that, if at any time during the Reference Period the VWAP shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that Reference Period the VWAP shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (i) if the Ordinary Shares to be issued or delivered (if applicable) do not rank for the Dividend (or entitlement) in question, the VWAP on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the fair market value (as determined by an Independent Financial Adviser) of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement; or
- (ii) if the Ordinary Shares to be issued or delivered (if applicable) do rank for the Dividend (or entitlement) in question, the VWAP on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the fair market value (as determined by an Independent Financial Adviser) of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement,

and provided further that, if on each of the dealing days in the Reference Period the VWAP shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or delivered do not rank for that Dividend (or other entitlement), the VWAP on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the fair market value (as determined by an Independent Financial Adviser) of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement,

and provided further that, if the VWAP of an Ordinary Share is not available on one or more of the dealing days in the Reference Period (disregarding for this purpose the proviso to the definition of VWAP), then the average of such VWAPs which are available in the Reference Period shall be used (subject to a minimum of two such prices) and if only one, or no, such VWAP is available in the Reference Period, the Reference Market Price shall be determined in good faith by an Independent Financial Adviser appointed in good faith by the Issuer.

“**VWAP**” means, in respect of an Ordinary Share on any dealing day, the order book volume-weighted average sale price in the Share Currency of an Ordinary Share (rounded to the nearest second decimal place) published by or derived from the relevant Bloomberg page or such other source as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the VWAP, in respect of such dealing day shall be the VWAP, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or determined as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

The initial Floor Price per Ordinary Share in respect of the Tier 2 BCNs is specified in the relevant Pricing Schedule. The Floor Price is subject to adjustment in the circumstances described in Condition 7(e) below.

Following Conversion, there is no provision for the reconversion of such Ordinary Shares following the relevant Share Creation Date back into Tier 2 BCNs.

(e) ***Adjustments to the Floor Price***

Upon the happening of any of the events described below, the Floor Price shall be adjusted as follows:

- (i) *Increase of share capital by means of capitalisation of reserves, profits or premia by distribution of Ordinary Shares, or division or consolidation of Ordinary Shares*

Subject to Condition 7(f), in the event of a change in CSG’s share capital as a result of the capitalisation of reserves, profits or premia by means of the distribution of Ordinary Shares or as a result of the division or consolidation of the Ordinary Shares, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to such change by the result of the following formula:

$$N_{\text{old}} / N_{\text{new}}$$

where:

N_{old} is the number of Ordinary Shares existing before the change in share capital; and

N_{new} is the number of Ordinary Shares existing after the change in share capital;

provided, however, that no such adjustment shall be made if Ordinary Shares are issued in lieu of the whole or any part of a Cash Dividend, or another cash distribution made in lieu of a dividend, which the Shareholders concerned would or could otherwise have received.

Such adjustment shall become effective on the date on which such Ordinary Shares are traded ex-the relevant entitlement on the Primary Stock Exchange.

- (ii) *Issues of Ordinary Shares or Other Securities to Shareholders by way of conferring subscription or purchase rights*

Subject to Condition 7(f), if (a) CSG issues or grants to Shareholders any rights or options, warrants or other rights to subscribe for or acquire Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities or (b) any third party with the agreement of CSG issues to holders of Ordinary Shares any rights, options or warrants to purchase any Ordinary Shares, Other Securities or securities convertible or exchangeable into Ordinary Shares or Other Securities (the rights referred to in (a) and (b) collectively and individually being the “**Purchase Rights**”), the Floor Price shall be

adjusted by multiplying the Floor Price in force immediately prior to such issue or grant by the result of the following formula:

$$(P_{\text{cum}} - R) / P_{\text{cum}}$$

where:

P_{cum} is the Volume Weighted Average Price of one Ordinary Share on whichever is the later of (x) the last dealing day immediately preceding the first date on which the Ordinary Shares are first traded ex-the relevant Purchase Rights on the Primary Stock Exchange or (y) the dealing day when the price for the relevant Purchase Rights is announced, or, if the day the subscription or purchase price is announced is not a dealing day, the next following dealing day; and

R is the value of the relevant Purchase Rights relating to one Ordinary Share or Other Security, such value to be calculated as follows:

(1) if the Purchase Rights relate to Ordinary Shares:

$$R = P_{\text{cum}} - \text{TERP}$$

where:

$$\text{TERP} = (N_{\text{old}} \times P_{\text{cum}} + N_{\text{new}} \times (P_{\text{rights}} + \text{Div})) / (N_{\text{old}} + N_{\text{new}})$$

and:

TERP is the theoretical ex-rights price; and

N_{old} is the number of Ordinary Shares existing before the change in share capital; and

N_{new} is the number of Ordinary Shares being newly issued; and

P_{rights} is the price at which one new Ordinary Share can be subscribed, exercised or purchased for; and

Div is the amount (in the Share Currency) by which the dividend entitlement per existing Ordinary Share exceeds the dividend entitlement per new Ordinary Share, (x) if dividends have already been proposed to the general meeting of shareholders but not yet paid, based on the proposed dividend amount, or (y) if dividends have not yet been proposed based on the last paid dividend;

provided, however, that no such adjustment shall be made if the subscription or purchase price at which one new Ordinary Share can be subscribed or purchased is at least 95 per cent. of P_{cum} (as defined above);

(2) if the Purchase Rights relate to Other Securities or to securities convertible or exchangeable into Ordinary Shares or Other Securities and where such Purchase Rights, or Other Securities are traded on a regulated stock exchange in Switzerland, the European Union, the United States of America, Canada or Japan:

$$R = N_{\text{rights}} \times P_{\text{rights}}$$

where:

N_{rights} is the number of Purchase Rights granted per Ordinary Share; and

P_{rights} is the average of the last paid prices on the Primary Stock Exchange (in the Share Currency) (or, if no dealing is recorded, the arithmetic mean of the bid and offered prices) on a spot basis of one Purchase Right on each dealing day during the period the Purchase Rights are traded or, if such period is longer than ten dealing days, the arithmetic average of the last paid prices (or, if no dealing is recorded, the arithmetic mean of the bid and offered prices) on a spot basis on the first ten such dealing days.

(3) in all other cases where neither of the previous paragraphs (1) or (2) is applicable:

R will be determined by an Independent Financial Adviser.

Such adjustment shall become effective (i) in the case of Condition 7(e)(ii)(1), on the date on which the Ordinary Shares are traded ex-Purchase Rights on the Primary Stock Exchange or, if the subscription or exercise price is announced only at a later time, one dealing day after the announcement of the price for the Purchase Right, (ii) in the case of Condition 7(e)(ii)(2), five dealing days after (x) the end of the subscription or purchase period or (y) the tenth day of the subscription or purchase period, whichever is sooner, and (iii) in the case of Condition 7(e)(ii)(3), on the date determined by an Independent Financial Adviser.

(iii) *Cash Distributions*

Subject to Condition 7(f), if and whenever any Capital Distribution shall be made or paid to Shareholders, the Floor Price shall be adjusted by multiplying the Floor Price in force immediately prior to the Effective Date by the following fraction:

$$(P_{\text{cum}} - D) / P_{\text{cum}}$$

where:

P_{cum} is the Volume Weighted Average Price of one Ordinary Share on whichever is the later of (x) the last dealing day preceding the Effective Date or (y) the dealing day when the amount of the relevant Dividend is announced or, if the day on which the amount of the relevant Dividend is announced is not a dealing day, the next following dealing day; and

D is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution on the Effective Date by the number of Ordinary Shares entitled to receive the relevant Dividend (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of CSG or any Subsidiary of CSG, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date or, if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

As used in these Conditions:

“Capital Distribution” means:

- (a) any Dividend which is expressed by CSG or declared by the Board of Directors of CSG to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to shareholders of CSG or any analogous or similar term, in which case the Capital Distribution shall be the Fair Market Value of such Dividend; or
- (b) any Cash Dividend (the **“Relevant Dividend”**) paid or made in respect of a fiscal year of CSG (the **“Relevant Fiscal Year”**) if the sum of:
 - (i) the Fair Market Value of the Relevant Dividend per Ordinary Share; and
 - (ii) the aggregate of the Fair Market Value per Ordinary Share of any other Cash Dividend or Cash Dividends per Ordinary Share paid or made in respect of the Relevant Fiscal Year (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of the Relevant Fiscal Year),

such sum being the **“Current Year’s Dividends”**, exceeds the Reference Amount, and in such case the amount of the relevant Capital Distribution shall be the lesser of (i) the amount by which the Current Year’s Dividends exceeds the Reference Amount and (ii) the Fair Market Value of the Relevant Dividend.

“Effective Date” means, in respect of this Condition 7(e)(iii), the first date on which the Ordinary Shares are traded ex-the relevant Dividend on the Primary Stock Exchange or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares, the date on which such purchase, redemption or buy back is made.

“Reference Amount” means 5 per cent. of the average of the Volume Weighted Average Price of an Ordinary Share on each dealing day in the period of 5 dealing days ending on the dealing day immediately preceding the Effective Date provided that if on any such dealing day the Volume Weighted Average Price shall have been based on a price cum-Dividend or cum-any other entitlement, the Volume Weighted Average Price of an Ordinary Share on such dealing day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Ordinary Share as at the Effective Date relating to the relevant Dividend or entitlement.

“Non-Cash Dividend” means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

“Cash Dividend” means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (ii) of the definition of **“Spin-Off”** and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (i) of the definition of **“Dividend”**.

For the purposes of the above, Fair Market Value shall (subject as provided in paragraph (a) of the definition of **“Dividend”** and in the definition of **“Fair Market Value”**) be determined as at the Effective Date.

In making any calculations for the purposes of this Condition 7(e)(iii), such adjustments (if any) shall be made as an Independent Financial Adviser may determine in good faith to be

appropriate to reflect (i) any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Ordinary Shares in issue in relation to the fiscal year of CSG in question, or (ii) any change in the fiscal year of CSG, or (iii) any adjustment to the Floor Price made in the fiscal year of CSG in question.

(iv) *Non-Cash Dividends*

Subject to Condition 7(f), in respect of a Non-Cash Dividend, the Floor Price shall be adjusted as follows:

- (1) where the Dividend in question (x) consists of securities that are traded on a regulated stock exchange in Switzerland, the European Union, the United States of America, Canada or Japan or (y) has otherwise a value which is determinable by reference to a stock exchange quotation or otherwise, by multiplying the Floor Price in force immediately prior to such Dividend by the result of the following formula:

$$(P_{\text{cum}} - D) / P_{\text{cum}}$$

where

P_{cum} is the Volume Weighted Average Price of one Ordinary Share on whichever is the later of (x) the last dealing day preceding the date on which the Ordinary Shares are first traded ex-the relevant Non-Cash Dividend on the Primary Stock Exchange or (y) the dealing day when the amount of the relevant Non-Cash Dividend is announced, or, if the day on which the amount of the relevant Non-Cash Dividend is announced is not a dealing day, the next following dealing day; and

D is the Fair Market Value of the relevant Non-Cash Dividend (in the Share Currency) on the dealing day immediately following the date in respect of which P_{cum} (as defined above) has been determined;

- (2) in all other cases by multiplying the Floor Price in force immediately prior to such issue or distribution by the result of the following formula:

$$P_{\text{after}} / P_{\text{before}}$$

where:

P_{after} is the arithmetic average of the Volume Weighted Average Price of an Ordinary Share on the five consecutive dealing days starting on the dealing day immediately following the first dealing day on which the Ordinary Shares are traded ex-the relevant Non-Cash Dividend (the “**Distribution Date**”); and

P_{before} is the arithmetic average of the Volume Weighted Average Price of an Ordinary Share on the five consecutive dealing days ending on the dealing day immediately preceding the Distribution Date;

as determined by an Independent Financial Adviser.

Such adjustment shall become effective, in the case of (1), on the date on which the relevant Non-Cash Dividend is made and, in the case of (2), five dealing days after the Distribution Date.

(v) *Other Events*

If the Issuer or CSG determines that, notwithstanding paragraphs (i) to (iv) of this Condition 7(e), an adjustment should be made to the Floor Price as a result of one or more events or circumstances not referred to in this Condition 7(e) or circumstances have arisen which might have an adverse effect on the right of Holders upon Conversion of the Tier 2 BCNs and no adjustment to the Floor Price under this Condition 7(e) would otherwise arise, the Issuer shall engage the advice or services of an Independent Financial Adviser to determine as soon as practicable what adjustment, if any, to the Floor Price or amendment, if any, to the terms of this Condition 7 is fair and reasonable to take account thereof and the date on which such adjustment should take effect. The Independent Financial Adviser shall have no responsibility to make any enquiries as to whether or not any event has occurred which might require an adjustment to the Floor Price or amendment, if any, to the terms of this Condition 7.

Notwithstanding the foregoing provisions:

- (A) where the events or circumstances giving rise to any adjustment pursuant to this Condition 7(e) have already resulted or will result in an adjustment to the Floor Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Floor Price or where more than one event which gives rise to an adjustment to the Floor Price occurs within such a short period of time that, in the opinion of CSG, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate to give the intended result;
- (B) such modification shall be made to the operation of this Tier 2 BCN as may be determined in good faith by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Floor Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once;
- (C) for the avoidance of doubt, the issue of Ordinary Shares upon a Conversion or upon any conversion or exchange in respect of any other Securities or the exercise of any other options, warrants or other rights shall not result in an adjustment to the Floor Price; and
- (D) at any time when the Ordinary Shares are not admitted to trading on a Recognised Stock Exchange by reason of a Non-Qualifying Takeover Event or otherwise, the Floor Price shall be adjusted as provided above save that for the purposes thereof the Current Market Price, the Volume Weighted Average Price of an Ordinary Share and the date upon which any adjustment becomes effective shall be determined in good faith by an Independent Financial Adviser in such manner as it considers appropriate to ensure that an adjustment to the Floor Price is made which gives the intended same result as if the Ordinary Shares were so admitted to trading.

Notice of any adjustments to the Floor Price shall be given by the Issuer in accordance with Condition 16 to Holders promptly after the determination thereof.

The Floor Price shall not in any event be reduced to below the prevailing nominal value of the Ordinary Shares, translated into the Specified Currency at the Prevailing Rate at the effective date of such adjustment. The Issuer shall procure that CSG shall not take any action, and

procure that no action is taken, that would otherwise result in an adjustment to the Floor Price to below such nominal value.

(f) ***Events not Giving Rise to Adjustments***

Notwithstanding the provisions of Condition 7(e), no adjustment to the Floor Price will be made:

- (i) as a result of any issue or distribution of Ordinary Shares or Other Securities if the pre-emptive right (*Bezugsrecht*) in respect thereof under the Swiss Federal Code of Obligations has been validly excluded by resolution of the general meeting of Shareholders unless a pre-emptive right in respect thereof is granted indirectly to the Shareholders by a third party with the agreement of CSG; or
- (ii) as a result of any public issue of bonds convertible into Ordinary Shares or bonds with options to subscribe for Ordinary Shares, such issue being in connection with a conditional increase of the share capital of CSG, irrespective of whether in respect of such issue the advance subscription rights to acquire such bonds (*Vorwegzeichnungsrecht*) have been excluded or not, unless advance subscription rights have been granted and are traded on the Primary Stock Exchange; or
- (iii) if, as a result of any Non-Cash Dividend by CSG, CSG sells any share, right, warrant or other security representing the same (an “**Interest**”) in any of its subsidiaries to holders of the Ordinary Shares at fair value, and for this purpose:
 - (1) where such Interest is listed on, traded on, or dealt in any stock exchange, the fair value of such Interest shall be at least 95 per cent. of the average of the last paid prices therefor on such stock exchange (or, if more than one, the principal such stock exchange) on each of the ten dealing days commencing on the twentieth dealing day before the day on which CSG officially announces the terms and conditions for such sale, as determined by an Independent Financial Adviser;
 - (2) where such Interest is not so listed, traded or dealt in, the fair value of such Interest shall be at least 95 per cent. of the Fair Market Value thereof; or
- (iv) if an increase in the Floor Price would result from such adjustment, except in case of an exchange of the Ordinary Shares for Other Securities or a consolidation of Ordinary Shares.

(g) ***Decision of an Independent Financial Adviser***

If any doubt shall arise as to whether an adjustment falls to be made to the Floor Price or the Conversion Price or as to the appropriate adjustment to the Floor Price, and following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on the Issuer and the Holders, save in the case of manifest error.

(h) ***Share Option Schemes***

No adjustment will be made to the Floor Price if Ordinary Shares or Other Securities (including pre-emptive rights, options or warrants in relation to Shares or Other Securities) are issued, offered or granted to, or for the benefit of, directors or employees, or former directors or employees, of the Guarantor or any of its Subsidiaries or any associated company or to trustees to be held for the benefit of any such person in any such case pursuant to any employee share or option scheme.

(i) ***Rounding Down***

On any adjustment, the resultant Floor Price, if a number that is of more decimal places than the initial Floor Price, shall be rounded to such decimal place. No adjustment shall be made to the Floor Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Floor Price then in effect. Any adjustment not required to be made, and/or any amount by which the Floor Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

(j) ***Qualifying Takeover Event***

- (i) If a Qualifying Takeover Event shall occur, the Tier 2 BCNs shall, where the Conversion Date falls on or after the QTE Effective Date, be converted into Approved Entity Shares of the Approved Entity, *mutatis mutandis* as provided in accordance with this Condition 7, at a Conversion Price that shall be the New Conversion Price.
- (ii) The New Floor Price shall be subject to adjustment in the circumstances provided in this Condition 7 for the adjustment of the Floor Price (if necessary with such modifications and amendments as an Independent Financial Adviser acting in good faith shall determine to be appropriate) and the Issuer shall give notice to Holders of the New Floor Price and of any such modifications and amendments thereafter.
- (iii) In the case of a Qualifying Takeover Event:
 - (1) the Issuer shall and will procure that the Guarantor shall, on or prior to the QTE Effective Date, enter into such agreements and arrangements, (which may include deeds supplemental to these Conditions and the Guarantee and amendments and modifications to these Conditions and the Guarantee) as may be required to ensure that, with effect from the QTE Effective Date, the Tier 2 BCNs shall remain obligations of the Issuer (in the case of the Tier 2 BCNs) and the Guarantor (in the case of the Guarantee) but that the Tier 2 BCNs be convertible into, or exchangeable for, Approved Entity Shares of the Approved Entity, *mutatis mutandis* in accordance with, and subject to, this Condition 7 (as may be so supplemented, amended or modified) at the New Conversion Price;
 - (2) the Issuer shall, where the Conversion Date falls on or after the QTE Effective Date, procure the issue and/or delivery of the relevant number of Approved Entity Shares in the manner provided in this Condition 7, as may be amended or modified as provided above.
- (iv) Within 10 business days following the occurrence of a Takeover Event, the Issuer shall give notice thereof in accordance with Condition 16 to the Holders (a “**Takeover Event Notice**”).

The Takeover Event Notice shall specify:

- (1) the identity of the Acquirer;
- (2) whether the Takeover Event is a Qualifying Takeover Event or a Non-Qualifying Takeover Event;
- (3) in the case of a Qualifying Takeover Event, if determined at such time, the New Floor Price; and

(4) if applicable, the QTE Effective Date.

“**Acquirer**” means the person which, following a Takeover Event, controls CSG.

“**Approved Entity**” means a body corporate which, on the occurrence of the Takeover Event, has in issue Approved Entity Shares. On and after the date of a Qualifying Takeover Event, references to Ordinary Shares shall be read as references to Approved Entity Shares.

“**Approved Entity Shares**” means ordinary share capital of the Approved Entity that constitutes equity share capital or the equivalent (or depositary or other receipts representing the same) which is listed and admitted to trading on a Recognised Stock Exchange. In relation to any Conversion in respect of which the relevant Conversion Date falls on or after the QTE Effective Date, references herein to “Ordinary Shares” shall be deemed to be references to “Approved Entity Shares”.

“**EEA Regulated Market**” means a market as defined by Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets on financial instruments.

The “**New Conversion Condition**” shall be satisfied if, by not later than seven days following the occurrence of a Takeover Event where the Acquirer is an Approved Entity, the Issuer shall to the satisfaction of CSG and the Issuer have entered into arrangements with the Approved Entity which provide for delivery of Approved Entity Shares upon a Conversion of the Tier 2 BCNs on terms *mutatis mutandis* identical to the provisions of Condition 7.

“**New Conversion Price**” means, in respect of any Conversion Date falling on or after the QTE Effective Date, the greater of:

- (i) the Reference Market Price of the Approved Entity Shares on the fifth Zurich Business Day prior to the date of the relevant Contingency Event Notice or Viability Event Notice (translated, if necessary, into the Specified Currency at the Prevailing Rate on the relevant Business Day) (and where references in the definition of “Reference Market Price” and “VWAP” to “Ordinary Shares” shall be construed as a reference to the Approved Entity Shares and in the definition of “dealing day”, reference to the “Primary Stock Exchange” shall be to the relevant Recognised Stock Exchange); and
- (ii) the New Floor Price on the fifth Zurich Business Day prior to such Contingency Event Notice or Viability Event Notice translated, if necessary, into the Specified Currency at the Prevailing Rate on such Business Day.

“**New Floor Price**” means the amount determined in accordance with the following formula:

$$\text{NFP} = \text{EFP} \times \frac{\text{VWAPAES}}{\text{VWAPOS}}$$

where:

“**NFP**” is the New Floor Price.

“**EFP**” is the Floor Price in effect on the dealing day immediately prior to the QTE Effective Date.

“VWAPAES” means the average of the Volume Weighted Average Price of the Approved Entity Shares (translated, if necessary, into the Specified Currency at the Prevailing Rate on the relevant dealing day) on each of the five dealing days ending on the dealing day prior to the closing date of the Takeover Event (and where references in the definition of “Volume Weighted Average Price” to “Ordinary Shares” shall be construed as a reference to the Approved Entity Shares and in the definition of “dealing day”, references to the “Primary Stock Exchange” shall be to the relevant Recognised Stock Exchange).

“VWAPOS” is the average of the Volume Weighted Average Price of the Ordinary Shares on each of the five dealing days ending on the dealing day immediately prior to the closing date of the Takeover Event.

“Non-Qualifying Takeover Event” means a Takeover Event that is not a Qualifying Takeover Event.

“QTE Effective Date” means the date with effect from which the New Conversion Condition shall have been satisfied.

“Qualifying Takeover Event” means a Takeover Event where:

- (i) the Acquirer is an Approved Entity; and
- (ii) the New Conversion Condition is satisfied.

(k) ***Procedure for Settlement and Delivery of Ordinary Shares on Conversion***

Ordinary Shares to be issued upon a Conversion in respect of the Tier 2 BCNs shall be delivered subject to and as provided below.

(l) ***Fractions***

Fractions of Ordinary Shares will not be issued or delivered pursuant to the Conditions upon a Conversion and no cash payment will be made in lieu thereof. However, the number of Ordinary Shares to be issued or transferred and delivered to each Holder upon a Conversion shall be calculated on the basis of the aggregate principal amount of the Tier 2 BCNs held by the relevant Holder and rounded down, if necessary, to the nearest whole number of Ordinary Shares.

Where Ordinary Shares are to be delivered to the Selling Agent pursuant to Condition 7(m)(iv) below, the number of Ordinary Shares to be so delivered shall be calculated on the basis of the aggregate principal amount of the Tier 2 BCNs to be converted in respect of which such delivery is to be made and rounded down, if necessary, to the nearest whole number of Ordinary Shares.

(m) ***Procedure for Delivery in respect of a Conversion***

- (i) The Issuer, with the assistance of the Share Delivery Agent, shall procure that on or prior to the Conversion Date, CSG delivers to the Settlement Shares Depository such number of Ordinary Shares as is required to satisfy in full the Issuer’s obligation to deliver Ordinary Shares in respect of the Conversion of the aggregate amount of Tier 2 BCNs on the Conversion Date. Subject to Condition 7(c), receipt by the Settlement Shares Depository of such Ordinary Shares

shall be a good and complete discharge of the Issuer's obligations in respect of the Tier 2 BCNs and those of the Guarantor under the Guarantee.

- (ii) Subject to the making of a Settlement Shares Offer (as defined below) and as otherwise provided herein, the Paying and Conversion Agent shall give instructions to the Settlement Shares Depository for the relevant Ordinary Shares to be delivered by the Settlement Shares Depository on the Conversion Date to the Holders.
- (iii) Not later than 10 Business Days prior to the relevant Conversion Date (the "**Notice Cut-off Date**"), any Holder may deliver to the Paying and Conversion Agent at its specified office a notice requesting the Issuer, subject to its discretion referred to in, and otherwise in accordance with, Condition 7(m)(iv) and (vi), to (a) in the event that no Settlement Shares Offer is made, dispose of the Ordinary Shares otherwise to be delivered on the Conversion Date to such Holder, or (b) in the event that a Settlement Shares Offer is made, dispose of any Ordinary Shares not sold pursuant to the Settlement Shares Offer and otherwise to be delivered within 5 Business Days after the end of the Offer Settlement Period (as defined below) to such Holder (the "**Disposal Notice**").
- (iv) If a duly completed Disposal Notice has been delivered to the specified office of the Paying and Conversion Agent on or before the Notice Cut-off Date, then at any time following the Notice Cut-off Date and prior to the 10th Business Day after the Conversion Date, the Issuer may in its sole and absolute discretion, elect to appoint a person (the "**Selling Agent**") to procure that all Ordinary Shares held by the Settlement Shares Depository in respect of which duly completed Disposal Notices have been received on or before the Notice Cut-off Date as aforesaid, shall be sold by or on behalf of the Selling Agent as soon as reasonably practicable. Subject to the deduction by or on behalf of the Selling Agent of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue, registration and/or transfer taxes and duties (if any) and any fees or costs incurred by or on behalf of the Selling Agent in connection with the issue, allotment and sale thereof, the net proceeds of sale, converted into the Specified Currency at the Prevailing Rate on the Notice Cut-off Date, if necessary, shall as soon as reasonably practicable be distributed rateably to the relevant Holders in accordance with Condition 9 or in such other manner and at such time as the Issuer or CSG shall determine and notify to the Holders.

The amount of such net proceeds of sale, converted into the Specified Currency at the Prevailing Rate on the Notice Cut-off Date, if necessary, payable to a Holder pursuant to this Condition 7(m)(iv) shall be treated for all purposes as a good discharge of the obligations of the Issuer, the Guarantor, the Settlement Shares Depository and the Selling Agent to such Holder in respect of the relevant Conversion.

The Issuer, the Guarantor, the Settlement Shares Depository and the Selling Agent shall have no liability in respect of the exercise or non-exercise of any discretion or power pursuant to this Condition 7(m)(iv) or in respect of any sale of any Ordinary Shares, whether for the timing of any such sale or the price at or manner in which any such Ordinary Shares are sold or the inability to sell any such Ordinary Shares.

If the Issuer does not appoint a Selling Agent by the 10th Business Day after the Conversion Date, or if any Ordinary Shares are not sold by the Selling Agent in accordance with this Condition 7(m)(iv), such Ordinary Shares shall be delivered by the Settlement Shares Depository to the relevant Holders as soon as reasonably practicable.

- (v) Any Disposal Notice shall be irrevocable. Any determination as to whether any Disposal Notice has been properly completed and delivered as provided in this Condition 7 shall be made by the Issuer in its sole discretion, acting in good faith, and shall, in the absence of manifest error, be conclusive and binding on the relevant Holders.
- (vi) In respect of a Contingency Event Conversion only, following receipt by the Settlement Shares Depository of the Ordinary Shares as described above, which, subject to Condition 7(c), shall be a good and complete discharge of the Issuer's obligations in respect of the Tier 2 BCNs and those of the Guarantor under the Guarantee, the Issuer or CSG may, in its sole and absolute discretion, appoint a placement agent (the "**Settlement Shares Offer Agent**") acting on behalf, and for the accounts, of the Holders to conduct an offering of the Ordinary Shares to which the Holders are otherwise entitled (a "**Settlement Shares Offer**"). In the relevant Contingency Event Notice, the Issuer shall notify whether it will appoint such Settlement Shares Offer Agent to conduct such a Settlement Shares Offer. If it does so appoint a Settlement Shares Offer Agent, CSG will instruct the Settlement Shares Depository to deliver the relevant Ordinary Shares to or to the order of the Settlement Shares Offer Agent for this purpose prior to the end of the Offer Settlement Period (as defined below). Such Settlement Shares Offer shall be made at a net price per Ordinary Share, which, translated, if necessary, into the Specified Currency at the Prevailing Rate at the date of the Contingency Event Notice, is equal to or above the Conversion Price, to some or, subject to applicable laws and regulations and to such an offer being practicable in the opinion of the Issuer and CSG in the Offer Settlement Period (as defined below), all shareholders of CSG on the record date of the Contingency Event Notice then eligible to participate in such offer. Any such Settlement Shares Offer shall be completed no later than 20 Business Days after the occurrence of the Contingency Event (the "**Offer Settlement Period**"). Neither CSG, the Issuer nor the Settlement Shares Depository shall incur any liability whatsoever to the Holders in respect of the appointment of such Settlement Shares Offer Agent or its conduct.

In the event of a Settlement Shares Offer being fully subscribed by or before the end of the Offer Settlement Period, Holders shall, pursuant to the agreement appointing the Settlement Shares Offer Agent, be entitled to receive from the Settlement Shares Offer Agent on the 5th Business Day after the end of the Offer Settlement Period, in respect of each Ordinary Share to which they were otherwise entitled, cash proceeds received from the Settlement Shares Offer in an amount equal to the Conversion Price. In the event that the Settlement Shares Offer is only partially subscribed, Holders shall in aggregate be entitled to receive on a pro rata basis (a) cash proceeds received from such Settlement Shares Offer in an amount equal to the Conversion Price multiplied by the aggregate number of Ordinary Shares sold on the 5th Business Day after the end of the Offer Settlement Period from the Settlement Shares Offer Agent, pursuant to the agreement appointing the Settlement Shares Offer Agent, together with (b) the number of Ordinary Shares not subscribed pursuant to the Settlement Shares Offer on the dates described below from the Settlement Shares Depository. In the case that no Ordinary Shares are subscribed in the Settlement Shares Offer, Holders shall be entitled to receive the relevant Ordinary Shares on the dates described below from the Settlement Shares Depository.

Any net proceeds raised by the Settlement Shares Offer in excess of the cash amounts payable above to Holders shall not be for the account of Holders and shall be paid by the Settlement Shares Offer Agent to CSG.

In relation to any Ordinary Shares not sold pursuant to the Settlement Shares Offer and in respect of which a duly completed Disposal Notice has been delivered to the specified office of

the Paying and Conversion Agent on or before the Notice Cut-off Date, the Issuer may, in its sole and absolute discretion, instruct the Selling Agent to sell any such Ordinary Shares on behalf of the relevant Holders by no later than 10 Business Days after the end of the Offer Settlement Period and that any net proceeds of any such sale (after deduction of all relevant fees, taxes and other expenses) be distributed as soon as reasonably practicable to the relevant Holders. If any of such Ordinary Shares are not sold by the Selling Agent in accordance with this Condition 7(m)(vi), such Ordinary Shares shall be delivered by the Settlement Shares Offer Agent to the relevant Holders as soon as reasonably practicable.

In relation to any Ordinary Shares not sold pursuant to the Settlement Shares Offer, (a) in respect of which no duly completed Disposal Notice has been delivered to the specified office of the Paying and Conversion Agent on or before the Notice Cut-off Date, or (b) in respect of which a duly completed Disposal Notice has been so delivered but where the Issuer, in its sole and absolute discretion, has not appointed a Selling Agent by the 10th Business Day after the Conversion Date, the Paying and Conversion Agent shall give instructions to the Settlement Shares Offer Agent for such Ordinary Shares to be delivered by the Settlement Shares Offer Agent to the relevant Holders within 5 Business Days after the end of the Offer Settlement Period.

(n) ***Taxes and Duties***

A Holder, Settlement Shares Offer Agent or Selling Agent must pay (in the case of the Settlement Shares Offer Agent or the Selling Agent by means of deduction from the net proceeds of sale referred to in Condition 7(m) above) any taxes and capital, stamp, issue and registration and transfer taxes or duties arising on Conversion (other than any Guernsey and Swiss federal taxes or capital, issue and registration and transfer taxes or Swiss federal or other stamp duties payable in Switzerland by the Issuer or CSG in respect of the issue or transfer and delivery of the Ordinary Shares delivered pursuant to these Conditions, which shall be paid by CSG) and such Holder, Settlement Shares Offer Agent or the Selling Agent (as the case may be) must pay (in the case of the Settlement Shares Offer Agent or the Selling Agent, by way of deduction from the net proceeds of sale as aforesaid) all, if any, taxes arising by reference to any disposal or deemed disposal of a Tier 2 BCN or interest therein.

If CSG shall fail to pay any Swiss federal capital, stamp, issue, registration and transfer taxes and Swiss federal or other duties payable in Guernsey or Switzerland for which it is responsible as provided above, the Holder, Settlement Shares Offer Agent or Selling Agent, as the case may be, shall be entitled (but shall not be obliged) to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify on an after tax basis each Holder, Settlement Shares Offer Agent or Selling Agent, as the case may be, in respect of any payment thereof and any penalties payable in respect thereof.

(o) ***Delivery***

The Issuer shall procure that CSG, with the assistance of the Share Delivery Agent, will issue and deliver Ordinary Shares to the Settlement Shares Depository on behalf of the Holder of the relevant Tier 2 BCNs.

Ordinary Shares will be delivered in uncertificated form through SIS or any other appropriate settlement organisations. Where Ordinary Shares are to be delivered through SIS or any other of the SIX Swiss Exchange's settlement organisations, the Paying and Conversion Agent shall request that the Settlement Shares Depository deliver such Ordinary Shares to the same account of the relevant Holder in which the Tier 2 BCN is held, on the relevant Conversion Date or such other date as is specified for the delivery. At the time of such delivery of the Ordinary Shares, the then valid share

registration rules of CSG shall apply. CSG does not offer any assurance or guarantee that the Holders will be accepted as a shareholder with voting rights in the share register of CSG.

(p) ***Ordinary Shares***

The Ordinary Shares issued or delivered on Conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the relevant Share Creation Date except in any such case for any right excluded by mandatory provisions of applicable law, and except that the Ordinary Shares so issued or delivered will not rank for (or, as the case may be, the relevant Holder shall not be entitled to receive) any rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant Share Creation Date.

(q) ***Purchase or Redemption of Ordinary Shares***

CSG or any Subsidiary of CSG may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares or securities of CSG (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of Holders.

(r) ***Covenants***

Whilst any Tier 2 BCN remains outstanding, CSG shall (prior to any Substitution Date, pursuant to the Guarantee and, thereafter, hereunder, in each case save with the approval of an Extraordinary Resolution):

- (i) (other than in connection with a Reorganisation) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
 - (1) by the issue of fully paid Ordinary Shares or other Securities to Shareholders and other holders of shares in the capital of CSG which, by their terms, entitle the holders thereof to receive Ordinary Shares or other shares or Securities on a capitalisation of profits or reserves; or
 - (2) by the issue of Ordinary Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a Dividend in cash; or
 - (3) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of CSG which, by their terms, entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
 - (4) by the issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of CSG or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Dividend or otherwise gives rise (or would, but for the provisions of Condition 7(i) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Floor Price;

- (ii) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation but so that nothing in this Condition 7(r)(ii) shall prevent:
 - (1) any consolidation, reclassification or subdivision of the Ordinary Shares; or
 - (2) any modification of such rights which is not materially prejudicial to the interests of the Holders as determined in good faith by an Independent Financial Adviser;
- (iii) procure that no Securities (whether issued by CSG or any Subsidiary of CSG or procured by CSG or any Subsidiary of CSG to be issued or issued by any other person pursuant to any arrangement with CSG or any Subsidiary of CSG) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of Condition 7(i) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Floor Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- (iv) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on a Conversion, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (v) not reduce its issued share capital, share premium account, capital redemption reserve, or any uncalled liability in respect thereof, or any non-distributable reserves, except where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 7(i) relating to roundings or the carry forward of adjustments, result in) an adjustment to the Floor Price or is otherwise taken into account for the purposes of determining whether or not such an adjustment should be made;
- (vi) in the event of a Reorganisation, take (or shall procure that there is taken) all necessary action to ensure that, immediately after completion of the relevant proceedings, such amendments are made to these Conditions as are necessary to ensure that the Tier 2 BCNs may be converted into or exchanged for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions and the ordinary shares or units or the equivalent of Newco are listed and admitted to trading on a Recognised Stock Exchange;
- (vii) issue, allot and/or deliver Ordinary Shares upon Conversion subject to and as provided in this Condition 7;
- (viii) save following a Non-Qualifying Takeover Event until any such time as Ordinary Shares are required to be delivered to Holders following the occurrence of a Contingency Event or Viability Event, use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares and the Ordinary Shares or, as appropriate, Approved Entity Shares issued upon Conversion shall be admitted to listing and trading on the Primary Stock Exchange or admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market;
- (ix) at all times keep available for issue, free from pre-emptive or other preferential rights, a sufficient number of Ordinary Shares to enable Conversion of the Tier 2 BCNs, and all other rights of subscription and exchange for Ordinary Shares, to be satisfied in full; and

- (x) where the provisions of this Condition 7 require or provide for a determination by an Independent Financial Adviser or a role to be performed by a Settlement Shares Depository, a Settlement Shares Offer Agent and/or a Share Delivery Agent, CSG shall use all reasonable endeavours promptly to appoint such person for such purpose.

8 Redemption, Substitution, Variation and Purchase

(a) *Final Maturity Date*

Unless previously converted, redeemed or purchased and cancelled as provided in these Conditions, each Tier 2 BCN 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 Tier 2 BCNs in accordance with Condition 8(c), (d), (e), (f), (h) or (i) is subject to the Issuer and CSG receiving the prior approval of the Regulator, if then required.

Prior to the publication of any notice of redemption pursuant to Conditions 8(d), 8(e) or 8(f) or notice of substitution or variation pursuant to Condition 8(i), the Issuer shall deliver to the Paying and Conversion Agent a certificate signed by two Authorised Signatories of the Issuer 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 Paying and Conversion Agent to the effect that circumstances entitling the Issuer to exercise its rights of redemption under Condition 8(d) have arisen.

(c) *Optional Redemption*

Subject to Condition 8(b), the Issuer may elect by giving not less than 30 nor more than 60 days' notice to the Paying and Conversion Agent and, in accordance with Condition 16, the Holders (which notice shall be irrevocable) to redeem in accordance with these Conditions all or some only of the Tier 2 BCNs 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 redeem the relevant Tier 2 BCNs as aforesaid.

In the case of a partial redemption, redemption will be made on a pro rata basis and the notice to Holders shall also specify the principal amount per Tier 2 BCN to be redeemed and the Specified Denomination applicable after such partial redemption (the "**New Specified Denomination**") and the Calculation Amount applicable after such partial redemption (the "**New Calculation Amount**"). After any such partial redemption all references herein and in the relevant Pricing Schedule to Specified Denomination shall be deemed to be to New Specified Denomination and all references to Calculation Amount shall be deemed to be to the New Calculation Amount and all references herein and in the relevant Pricing Schedule to principal amount shall also be construed accordingly.

(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 Condition 8(b) and having given not less than 30 days' notice to the Paying and Conversion Agent and, in accordance with Condition 16, the Holders (which notice shall 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 Tier 2 BCNs 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 redeem the Tier 2 BCNs 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 Condition 8(b) and having given not less than 30 days' notice to the Holders in accordance with Condition 16 and the Paying and Conversion Agent (which notice shall 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 Tier 2 BCNs at their Capital Event Redemption Amount, together with any accrued but unpaid interest to (but excluding) the relevant redemption date. Upon the expiry of such notice, the Issuer shall redeem the Tier 2 BCNs as aforesaid.

(f) ***Redemption due to Takeover Event***

If, prior to the giving of the notice referred to below, a Takeover Event has occurred, then the Issuer may elect, within 20 Business Days of the Takeover Event becoming unconditional and irrevocable and subject to Condition 8(b) and having given not less than 20 days' notice to the Holders in accordance with Condition 16 and the Paying and Conversion Agent (which notice shall be irrevocable), to redeem in accordance with these Conditions all, but not some only, of the Tier 2 BCNs on the date specified in such notice at their Takeover Event Redemption Amount together with any accrued but unpaid interest to but excluding the relevant redemption date. Upon the expiry of such notice, the Issuer shall redeem the Tier 2 BCNs as aforesaid.

(g) ***No redemption in cash following a Contingency Event or Viability Event***

Notwithstanding the other provisions of this Condition 8, the Issuer may not give a notice of redemption of the Tier 2 BCNs pursuant to this Condition 8 if a Contingency Event or, as the case may be, a Viability Event shall have occurred.

(h) ***Purchases***

The Issuer or CSG (or any Subsidiary of CSG) may, subject to Condition 8(b), at any time purchase or procure others to purchase beneficially for its account Tier 2 BCNs in any manner and at any price.

(i) ***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 16 (which notice shall be irrevocable) (and provided neither a Tax Event nor a Capital Event arises as a result of such substitution or variation), without any requirement for the consent or approval of the Holders, either substitute all, but not some only, of the Tier 2 BCNs for, or vary the terms of the Tier 2 BCNs so that they remain or, as appropriate, become, Compliant Securities. Upon the expiry of the notice required by Condition 8(b), the Issuer shall either vary the terms of, or substitute, the Tier 2 BCNs in accordance with this Condition 8(i), as the case may be.

In connection with any substitution or variation in accordance with this Condition 8(i), the Issuer shall comply with the rules of any stock exchange on which the Tier 2 BCNs are for the time being listed or admitted to trading.

(j) ***Cancellation***

All Tier 2 BCNs redeemed by the Issuer pursuant to this Condition 8 will forthwith be cancelled. All Tier 2 BCNs purchased by or on behalf of the Issuer or CSG or any Subsidiary of CSG may be held,

reissued, resold or, at the option of CSG or the Issuer or any such Subsidiary, surrendered for cancellation to the Paying and Conversion Agent. Tier 2 BCNs so surrendered shall be cancelled forthwith. Any Tier 2 BCNs so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Tier 2 BCNs shall be discharged upon such cancellation of such Tier 2 BCNs.

9 Payments

(a) Tier 2 BCNs

- (i) The funds required for payments with respect to the Tier 2 BCNs (including Additional Amounts, if any) will be made available by the Issuer or the Guarantor, as the case may be (i) in good time in the Specified Currency and will be placed at the free disposal of the Paying and Conversion Agent on behalf of the Holders, irrespective of any present or future transfer restrictions and outside of any bilateral or multilateral payment or clearing agreement, which may be applicable at the time of such payments, (ii) without collection costs in Switzerland, and (iii) without any restrictions and irrespective of any requirement for the delivery of an affidavit or the fulfilment of any other formality. No payments with respect to the Tier 2 BCNs (including Additional Amounts, if any) shall be made at any office of the Issuer and/or the Guarantor or any office of counter of the Paying and Conversion Agent outside Switzerland.
- (ii) The receipt by the Paying and Conversion Agent of the due and punctual payment of the funds in the Specified Currency as provided in Condition 9(a)(i) shall release the Issuer of its payment obligations under the Tier 2 BCNs and the Guarantor of its obligations under the Guarantee to the extent of such payment.
- (iii) Payments of all other amounts other than as referred to in (i) and (ii) will be made as provided in these Conditions.

(b) Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 10. No commission or expenses shall be charged to the Holders in respect of such payments.

(c) Appointment of Agents

The Paying and Conversion Agent, the Share Delivery Agent and the Calculation Agent act solely as agents of the Issuer and the Guarantor 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 Paying and Conversion Agent or the Calculation Agent and to appoint additional or other Paying and Conversion Agents or Calculation Agents, provided that there shall at all times be (i) a Paying and Conversion Agent, (ii) a Share Delivery Agent, (iii) one or more Calculation Agent(s) where the Conditions so require, and (iv) such other agents as may be required by any stock exchange on which the Tier 2 BCNs may at any time be listed (if any).

In addition, the Issuer shall in the event that it or the Guarantor would be obliged to pay additional amounts on or in respect of any Tier 2 BCN pursuant to Condition 10 by virtue of such Tier 2 BCN being presented for payment in Guernsey or Switzerland, appoint, and at all times thereafter maintain, a Paying and Conversion Agent in a jurisdiction within Europe (other than Guernsey or Switzerland) and which otherwise complies with the foregoing provisions of this Condition 9(c).

Provided, however that, so long as the Tier 2 BCNs are listed on the SIX Swiss Exchange the Issuer will at all times maintain a Paying and Conversion Agent having a specified office in Switzerland and

will at no time maintain a Paying and Conversation Agent having a specified office outside Switzerland in relation to such Tier 2 BCN.

Notice of any such change or any change of any specified office shall promptly be given to the Holders in accordance with Condition 16.

(d) ***Non-Business Days***

If any date for payment in respect of any Tier 2 BCN 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 Tier 2 BCNs or by or on behalf of the Guarantor under the Guarantee 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 13(d), the Issuer or, as the case may be, the Guarantor 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 Tier 2 BCNs; except that no such Additional Amounts shall be payable with respect to any Tier 2 BCN on account of:

- (a) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN by reason of the Holder having some connection with a Tax Jurisdiction other than the mere holding of such Tier 2 BCN; or
- (b) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN presented for payment more than 30 days after the Due Date (as defined below) 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 Tier 2 BCN where such withholding or deduction is imposed on a payment to an individual and is (A) required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, (B) required to be made pursuant to the Agreement between the European Community and the Confederation of Switzerland dated as of 26 October 2004 (the “**Swiss Savings Tax Agreement**”) providing for measures equivalent to those laid down in the European Council Directive 2003/48/EC or any law or other governmental regulation implementing or complying with, or

introduced in order to conform to, the Swiss Savings Tax Agreement, (C) required to be made pursuant to agreements between Guernsey and the EU Member States (the “**Guernsey Savings Tax Agreements**”) providing for measures equivalent to those laid down in the European Council Directive 2003/48/EC or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such Guernsey Savings Tax Agreements, or (D) required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the European Council Directive 2003/48/EC or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or

- (d) any such taxes, duties, assessments or other governmental charges imposed on a payment in respect of the Tier 2 BCNs and which is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those set out (x) in the European Council Directive 2003/48/EC or (y) in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, including, but without limitation, that a person other than the Issuer or Guarantor such as, without limitation, any paying agent be required to withhold or deduct tax; or
- (e) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN, the withholding or deduction of which the Holder would have been able to avoid by holding the relevant Tier 2 BCN through a custodian or depository bank in a Member State of the European Union; or
- (f) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN where such withholding or deduction is required by the Swiss Federal Withholding Tax Code of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer vom 13 Oktober 1965* as amended from time to time); or
- (g) any combination of two or more items (a) to (f) above.

11 Statute of Limitation

Claims against the Issuer and/or the Guarantor for payment in respect of the Tier 2 BCNs, 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 relating to the Issuer*

This Condition 12(a) shall apply for so long as the Issuer is Credit Suisse Group (Guernsey) IV Limited and shall be without prejudice to any additional rights of Holders under the Guarantee.

(i) **Events of Default**

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

- (x) default is made for a period of 10 days or more in the payment of any principal or premium (if any) due or 30 days or more in the payment of any interest due in respect of the Tier 2 BCNs or any of them; or
- (y) an order is made or a resolution is passed for the winding-up, dissolution or liquidation of the Issuer or the Guarantor (other than a winding-up which has been approved previously by an Extraordinary Resolution of the Holders).

Upon the occurrence of an Event of Default, the Tier 2 BCNs (or, in the case of (x) above, only the payments referred to in (x)) shall be deemed due and payable by a Holder serving notice to the Issuer.

(ii) Proceedings for Winding-up

If an Event of Default occurs, each Holder may, at its discretion, institute proceedings for the winding-up, dissolution or liquidation of the Issuer and/or prove in the winding-up, dissolution or liquidation of the Issuer and/or claim in the dissolution or liquidation of the Issuer for the relevant payment, but may, without prejudice to its rights under the Guarantee, take no further or other action to enforce, prove or claim for any such payment. No payment in respect of the Tier 2 BCNs may be made by the Issuer pursuant to Condition 12(a)(i) above, nor will any Holder accept the same, otherwise than during or after a winding-up, dissolution or liquidation of the Issuer, unless the Issuer has given prior written notice to, and received no objection from, the Regulator which the Issuer shall confirm in writing to the Paying and Conversion Agent.

(iii) Enforcement

Without prejudice to Condition 12(a)(i), any Holder may, at its discretion, and without notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Tier 2 BCNs (other than any payment obligation of the Issuer under or arising from the Tier 2 BCNs, including, without limitation, payment of any principal or premium or interest in respect of the Tier 2 BCNs or including any damages awarded for breach of any obligations). However, in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions. Nothing in this Condition 12(a)(iii) shall, however, prevent any Holder instituting proceedings for the winding-up, dissolution or liquidation of the Issuer, proving in any winding-up of the Issuer and/or claiming in any liquidation or dissolution of the Issuer in respect of any payment obligations of the Issuer or the Guarantor arising from or in respect of the Tier 2 BCNs or the Guarantee (including any damages awarded for breach of any obligations).

(b) *Events of Default relating to CSG following a Substitution Date*

This Condition 12(b) shall apply following a Substitution Date.

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

- (i) CSG fails to make any payment of principal in respect of the Tier 2 BCNs for a period of 10 days or more after the date such payment is due, or CSG fails to make any payment of interest in respect of the Tier 2 BCNs 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 CSG, with respect to CSG 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 CSG or for any substantial part of the property and assets of CSG, and such involuntary case or other proceedings shall remain undismissed 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(b); or an order for relief shall be entered against CSG for the purpose of this Condition 12(b); or an order for relief shall be entered against CSG under any bankruptcy, insolvency or other similar law now or hereafter in effect; or

- (iii) CSG (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 CSG for all or substantially all of the property and assets of CSG, or (iii) effects any general assignment for the benefit of creditors.

Upon the occurrence of an Event of Default, the payment obligations on the Tier 2 BCNs (in the case of (i) above, only in respect of the payments referred to in (i)) shall be deemed due and payable (*fällige*) payment obligations of CSG, 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 CSG in Switzerland (but not elsewhere) to enforce its rights under Swiss insolvency laws.

In the event of an insolvency proceeding in Switzerland, Holders will have a claim on a subordinated basis as described in Condition 3 for an amount equal to the principal amount of such Tier 2 BCNs together with any accrued but unpaid interest thereon and CSG shall not (i) after having received the writ of payment (*Zahlungsbefehl*), argue or plead that the payment obligations are not due and payable by CSG and (ii) prior to the declaration of bankruptcy (or similar proceeding under Swiss insolvency laws), make any payment to the Holder.

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

No remedy against the Issuer or, following the Substitution Date (if any), CSG, 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 Tier 2 BCNs. Prior to the Substitution Date (if any), the only remedies against the Guarantor under the Guarantee for non payment of sums due are *mutatis mutandis* those described in Condition 12(b).

13 Meetings of Holders, Modification and Substitution

(a) **Meetings of Holders**

- (i) The Issuer or the Guarantor may at any time convene a meeting of the Holders (a **Holders' Meeting**).

Holders who represent at least ten (10) per cent. of the aggregate principal amount of Tier 2 BCN then outstanding and who are entitled to participate and to vote in accordance with Condition 13(a)(vi) and (viii), may at any time require the Paying and Conversion Agent to convene a Holders' Meeting and the Paying and Conversion Agent shall convene such a meeting as soon as commercially possible upon receipt of such request.

Upon the request of Holders to convene a Holders' Meeting as provided for in this Condition 13(a)(i), the Paying and Conversion Agent shall appoint a person to act as holders' representative (the "**Holders' Representative**") for the purpose of Condition 13(a). Notice of such appointment shall be given not later than twenty (20) days prior to proposed date of the Holders' Meeting in accordance with Condition 16, at the expense of the Issuer or the Guarantor. Holders who represent at least ten (10) per cent. of the aggregate principal amount of Tier 2 BCNs then outstanding and who are entitled to participate and to vote in accordance with Condition 13(a)(vi) and (viii), may, at any time, appoint another person as Holders' Representative replacing the Holders' Representative appointed by the Paying and Conversion Agent at their own expense.

- (ii) The reasonable costs for such Holders' Meeting shall be borne by the Issuer and/or the Guarantor or if the Issuer and the Guarantor are prohibited by law to pay these costs, by the Holders convening such meeting (each of these Holders shall then bear such costs in proportion to its respective holding of Tier 2 BCNs at the time of such Holders' request to the Holders' Representative to convene a Holders' Meeting).
- (iii) A Holders' Meeting may consider any matter affecting the interests of the Holders, including any modification of, or arrangement in respect of, the Conditions.
- (iv) Notice convening a Holders' Meeting shall be given at least twenty (20) days prior to the proposed date thereof. Such notice shall be given by way of one announcement in accordance with Condition 16, at the expense of the Issuer or the Guarantor, as the case may be. It shall state generally the nature of the business to be transacted at such Holders' Meeting. If an Extraordinary Resolution (as defined below) is being proposed, the wording of the proposed resolution or resolutions shall be indicated in the notice. The notice shall specify the day, hour and place of the Holders' Meeting and also the formal requirements referred to in Condition 13(a)(vi) below. The Issuer (at its head office) and the Paying and Conversion Agent (at its specified office) will make a copy of such notice available for inspection by the Holders during normal business hours.
- (v) All Holders' Meetings shall be held in Zurich, Switzerland. A chairman of the meeting (the "**Chairman**") shall be nominated by the Holders' Representative in writing. If no person has been so nominated or if the nominated person shall not be present at the Holders' Meeting within thirty (30) minutes after the time fixed for holding the Holders' Meeting, the Holders present shall choose the Chairman instead.

The Chairman shall lead and preside over the Holders' Meeting. Among others, it shall be his duty to determine the presence of persons entitled to vote and to inquire if the necessary quorum (as set forth below) is present. He shall instruct the Holders as to the procedure of the Holders' Meeting and the resolutions to be considered. He shall sign the minutes referred to in Condition 13(a) (xii) below.

In the case of any equality of votes, the Chairman shall have a casting vote.

A declaration by the Chairman that a resolution has been supported or supported by a particular majority in accordance with Condition 13(a)(vii) and (ix) below or lost or not supported by a particular majority in accordance with Condition 13(a)(vii) and (ix) below shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- (vi) Each person who bears a certificate by a bank in respect of such Tier 2 BCN relating to that Holders' Meeting is entitled to attend and to vote on the resolutions proposed at such Holders' Meeting. Bank certificates shall be dated before the date of the Holders' Meeting and confirm that the respective Tier 2 BCNs are deposited in a securities account (*Effektenkonto*) with that bank and will remain so deposited with such bank until and including the date of the Holders' Meeting and that the bank has not issued any other such certificate with respect to such Tier 2 BCNs.
- (vii) The presence quorum necessary in order to vote on resolutions proposed at a Holders' Meeting shall be persons entitled under Condition 13(a)(vi) above and (viii) below holding or representing in the aggregate at least the following percentages of the aggregate principal amount of all Tier 2 BCNs then outstanding:

Each Ordinary Resolution: twenty-five (25) per cent.

Each Extraordinary Resolution: sixty-six (66) per cent.

The terms Ordinary Resolution and Extraordinary Resolution are defined below.

If within thirty (30) minutes after the time appointed for any Holders' Meeting a sufficient quorum is not present, the Holders' Meeting shall be dissolved.

- (viii) Holders' voting rights shall be determined according to the principal amount of outstanding Tier 2 BCNs held. Each Calculation Amount of Tier 2 BCNs shall entitle its Holder to one vote.

Any Tier 2 BCN held by or on behalf of the Issuer, the Guarantor or any other natural person or legal entity,

- (1) which directly or indirectly owns or controls more than fifty (50) per cent. of the equity share capital of the Issuer and/or the Guarantor, as the case may be, or
- (2) of which, in the case of a legal entity, more than fifty (50) per cent. of the equity share capital is controlled by the Issuer and/or the Guarantor directly or indirectly, as the case may be, or
- (3) where the Issuer and/or the Guarantor is in a position to exercise, directly or indirectly, a control over the decisions or actions of such natural person or legal entity or representative thereof, irrespective of whether or not the latter is affiliated to the Issuer and/or the Guarantor,

shall not entitle its Holder to vote at a Holders' Meeting.

- (ix) Every proposal submitted to a Holders' Meeting shall be decided upon a poll. A resolution shall be validly passed if approved by at least the following percentages of votes cast at a duly convened Holders' Meeting held in accordance with this Condition 13:

Each Ordinary Resolution: fifty-one (51) per cent.

Each Extraordinary Resolution: sixty-six (66) per cent.

- (x) Any resolution which is not an Extraordinary Resolution in accordance with Condition 13(a)(xi) shall be deemed to be an Ordinary Resolution.

- (xi) An Extraordinary Resolution shall be necessary to decide on the following matters at a Holders' Meeting:

- to postpone the maturity beyond the stated maturity of the principal of any Tier 2 BCN, or
- to reduce the amount of principal payable on any Tier 2 BCNs other than in accordance with Condition 8(c), or
- to change the date of interest payment on any Tier 2 BCNs, or
- to change the rate of interest, or the method of computation of interest, on any Tier 2 BCNs, or
- to change any provision for payment contained in the Conditions or the place or the currency of repayment of the principal of any Tier 2 BCN or interest on any Tier 2 BCN, or

- to amend or modify or waive the whole or any parts of Conditions 3, 7 or 12 above or Condition 13(a)(vi), (vii), (viii), (ix) or (xii), or
- to create unequal treatment between Holders of the same class, or
- to convert the Tier 2 BCNs into equity other than in accordance with Condition 7, or
- to change the choice of law and the jurisdiction clause contained in Condition 18, or
- to amend or modify any of the provisions of the Guarantee.

The above-mentioned list of issues for which an Extraordinary Resolution shall be necessary is exclusive.

- (xii) Any resolution approved at a Holders' Meeting held in accordance with this Condition 13 shall be conclusive and binding on the Issuer, the Guarantor and on all present or future Holders, whether present or not at the Holders' Meeting, regardless if such Holders have approved such resolution. The Holders shall not be entitled to any improvement of their position vis-à-vis the Issuer and/or the Guarantor pursuant to any resolution approved at a Holders' Meeting without prior written approval of the Issuer and/or the Guarantor. Any resolution approved at a Holders' Meeting, which increases any of the obligations of the Issuer and/or the Guarantor under the Conditions and/or the Guarantee shall become effective only after written approval of the Issuer and/or the Guarantor, as the case may be.

Minutes of all resolutions and proceedings at a Holders' Meeting shall be made and signed by the Chairman pursuant to Condition 13(a)(v).

- (xiii) If no Holder attends or an insufficient number of Holders attend a Holders' Meeting, the right to decide on the early repayment of the Tier 2 BCNs or any other measures to protect the interests of the Holders shall revert to the absolute discretion of the Holders' Representative. Any such decision of the Holders' Representative shall be final and binding upon the Issuer, the Guarantor and the Holders. Notice of any such decision shall be published in accordance with Condition 16.

On or after a Substitution Date, if Swiss law then so requires, the mandatory provisions of Swiss law in relation to meetings of Holders shall apply and prevail in the case of any conflict with the provisions of this Condition 13(a).

No modification to these Conditions or any other provisions of the Agency Agreement or the Guarantee (whether pursuant to this Condition 13 or otherwise) shall become effective unless the Issuer shall have received approval from the Regulator (provided that, at the relevant time, there is a requirement to obtain such approval).

(b) ***Modifications***

Notwithstanding Condition 13(a), the Issuer and the Guarantor may without the consent or approval of the Holders make such amendments to the terms of the Tier 2 BCNs, the Guarantee and the Agency Agreement as they consider necessary or desirable to give effect to the provisions of Condition 7(a), Condition 8(i), Condition 13(c) and Condition 13(d) and such other changes that in their opinion are of a formal, minor or technical nature or made to correct a manifest or proven error, or that in their opinion are not materially prejudicial to the interests of the Holders.

(c) ***Substitution upon Reorganisation***

In the event of a Reorganisation, the Issuer shall, and shall procure that the Guarantor shall, but subject as provided in Condition 13(d) without the consent of Holders, enter into such agreements and arrangements and make such amendments to the Conditions and the Guarantee as are necessary to ensure that following a Reorganisation, the Tier 2 BCNs shall be convertible into ordinary shares of Newco *mutatis mutandis* as provided herein. Upon the occurrence of a Reorganisation, the other obligations of the Issuer hereunder and/or the Guarantor under the Guarantee shall be unaffected.

(d) ***Substitution***

The Issuer may at any time, without the consent of the Holders, substitute CSG for itself as principal debtor under the Tier 2 BCNs, provided that no payment in respect of the Tier 2 BCNs, is at the relevant time overdue. In order to give effect to such substitution, the Issuer shall give no more than 30 nor less than 10 days' notice to Holders in accordance with Condition 16 of the date upon which such substitution is to become effective (the "**Substitution Date**"). With effect from the Substitution Date, CSG will, without the need for the amendment of existing, or the entry into of additional, documentation be substituted as principal obligor under the Tier 2 BCNs. From the Substitution Date, references herein and in the Agency Agreement to "the Issuer" shall be construed accordingly and references to "Guernsey" shall, unless the context otherwise requires, be construed as references to "Switzerland". CSG shall bear any tax, duty, assessment and charge in connection with the substitution and indemnify each Holder against any tax, duty, assessment or governmental charge that is imposed on Holders, or is required to be withheld by CSG (including but not limited to withholding tax to be deducted by CSG from interest due after the Substitution Date), by (or by any authority in or of) Switzerland and that 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 the substitution. CSG shall ensure that all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents or the entering into of a deed poll to effect Substitution) to ensure that the Substitution creates valid, legally binding and enforceable obligations of CSG have been taken, fulfilled and done and are in full force and effect.

14 Currency Indemnity

Any amount received or recovered in a currency other than the Specified Currency in which payment under the relevant Tier 2 BCN 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 the Guarantor or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the Specified Currency of payment under the relevant Tier 2 BCN 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 Tier 2 BCN, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Holder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor'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 Tier 2 BCN or any other judgment or order.

15 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 Tier 2 BCNs 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 Tier 2 BCNs) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Tier 2 BCNs include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Tier 2 BCNs.

16 Notices

All notices regarding the Tier 2 BCNs shall be published by the Listing Agent on behalf of and at the expense of the Issuer (i) on the internet site of SIX Swiss Exchange (where notices are currently published under the address www.six-swiss-exchange.com/bonds/issuers/official_notices/search_en.html) or (ii) otherwise in accordance with the regulations of the SIX Swiss Exchange. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

17 Definitions

The following capitalised terms shall have the following meanings:

“**Accrued Conversion Interest**” means, in the case of the Conversion of the Tier 2 BCNs, interest accrued on the Tier 2 BCNs, if any, from (and including) the Interest Payment Date immediately preceding the date of publication of the Contingency Event Notice or, as the case may be, the Viability Event Notice (or, if none, from the Issue Date) to (but excluding) the date of publication of the Contingency Event Notice or, as the case may be, the Viability Event Notice;

“**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;

“**Adjusted Exchange Rate**” means the Prevailing Rate between the Share Currency and the Specified Currency appearing on the Share Creation Date;

“**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 CSG signing jointly;

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

“**Basel III Regulations Date**” means the first date on which CSG is required to comply with BIS Regulations that incorporate and implement all or a substantial part of the regulatory guidelines set out in the Basel III Document;

“**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 are eligible to be treated as buffer capital (*Eigenmittelpuffer*) pursuant to National Regulations at that time implementing the Swiss draft ordinance concerning capital adequacy and risk diversification for banks and securities traders (in its version of 5 December 2011) in relation to the revised Swiss Banking Act concerning “too big to fail”, which shall, if entered into force, be applicable to CSG;

“Buffer Capital Instruments” means, at any time, any or all securities and other instruments issued by CSG or a 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;

“Capital Distribution” has the meaning provided in Condition 7(e)(iii);

a **“Capital Event”** is deemed to have occurred if the Tier 2 BCNs are not, or cease to be, eligible in their entirety to be treated as both (1) Tier 2 Capital under BIS Regulations and (2) Buffer Capital under National Regulations;

“Capital Ratio” means, prior to the Basel III Regulations Date, the Core Tier 1 Ratio and, on or after the Basel III Regulations Date, the CET1 Ratio;

“Cash Dividend” has the meaning provided in Condition 7(e)(iii);

“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;

“CET1 Ratio” means, (a) in respect of any Quarterly Reporting Period, the ratio (expressed as a percentage) of CET1 Amount divided by the RWA Amount, as at the date of the financial statements contained in the relevant Quarterly Financial Report or, as the case may be, (b) in respect of an Interim Report Date, the ratio (expressed as a percentage) of CET1 Amount divided by the RWA Amount as at the relevant Interim Report 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;

“Chairman” has the meaning provided in Condition 13(a)(v);

“CHF” and **“Swiss francs”** means the lawful currency for the time being of Switzerland;

“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 CSG or by a subsidiary of CSG and guaranteed by CSG that:

- (i) have economic terms not materially less favourable to a Holder thereof than the Conditions of the Tier 2 BCNs (as reasonably determined by the Issuer, and provided that a certification to such effect of the Authorised Signatories shall have been delivered to the Paying and Conversion Agent prior to the issue of the relevant securities), provided that such securities (1) contain terms such that they remain or become, as the case may be, securities which are eligible wholly or partly to be treated as Buffer Capital under National Regulations and/or Tier 2 Capital under BIS Regulations; (2) include terms which provide for the same Interest Rate and principal from time to time applying to the Tier 2 BCNs; (3) rank *pari passu* with the Guarantee; and (4) preserve any existing rights under these Conditions to any accrued but unpaid interest which has not been satisfied; and

- (ii) where the Tier 2 BCNs which have been substituted or varied were listed immediately prior to their substitution or variation, the relevant securities are listed on such internationally recognised stock exchange as selected by the Issuer; and
- (iii) where the Tier 2 BCNs 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 Notice**” has the meaning given to it in Condition 7(a)(i);

“**Conversion**” means the Contingency Event Conversion or the Viability Event Conversion, as the case may be, and “**convert**” and “**converted**” shall be construed accordingly;

“**Conversion Date**” means the Contingency Event Conversion Settlement Date or, as the case may be, the Viability Event Conversion Settlement Date;

“**Core Tier 1 Amount**” means the aggregate amount of core tier 1 capital of the Group, which shall equal the aggregate amount of all items constituting Tier 1 Capital less the aggregate amount of all items constituting hybrid tier 1 capital, in each case of the Group as determined by CSG pursuant to BIS Regulations applicable at the relevant time, expressed in CSG’s reporting currency and as appearing in the relevant Financial Report;

“**Core Tier 1 Ratio**” means, (a) in respect of any Quarterly Reporting Period, the ratio (expressed as a percentage) of the Core Tier 1 Amount divided by the RWA Amount, as at the date of the financial statements contained in the relevant Quarterly Financial Report or, as the case may be, (b) in respect of an Interim Report Date, the ratio (expressed as a percentage) of Core Tier 1 Amount divided by the RWA Amount as at the relevant Interim Report Date, in each case calculated by CSG and appearing in the relevant Financial Report as “Core Tier 1 Ratio”, “Basel II Core Tier 1 Capital Ratio” or any such other term having the same meaning;

“**Current Market Price**” means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive dealing days ending on the dealing day immediately preceding such date; provided that, if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement), then:

- (i) if the Ordinary Shares to be issued or delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement; or
- (ii) if the Ordinary Shares to be issued or delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement,

and provided further that, if on each of the said five dealing days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or delivered do not rank for that Dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall,

for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date of first public announcement relating to such Dividend or entitlement,

and provided further that, if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five dealing days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Financial Adviser;

“**dealing day**” means a day on which the Primary Stock Exchange or relevant stock exchange or securities market is open for business and on which Ordinary Shares, Securities, Spin-Off Securities, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Primary Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time);

“**Disposal Notice**” has the meaning provided in Condition 7(m)(iii);

“**Dividend**” means any dividend or distribution in respect of the Ordinary Shares to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital, provided that:

- (i) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares or other property or assets, then the Dividend in question shall be treated as a Cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares as at the first date on which the Ordinary Shares are traded ex- the relevant Dividend on the Primary Stock Exchange or, as the case may be, the Fair Market Value of such other property or assets as at the date of the first public announcement of such Dividend on the Primary Stock Exchange or, if later, the date on which the number of Ordinary Shares (or amount of such other property or assets, as the case may be) which may be issued or delivered is determined;
- (ii) any issue of Ordinary Shares falling within Condition 7(e)(i) or (ii) shall be disregarded;
- (iii) a purchase or redemption or buy back of share capital of CSG by or on behalf of CSG or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of CSG or any of its Subsidiaries, the weighted average price per Ordinary Share (before expenses) on any one day (a “**Specified Share Day**”) in respect of such purchases or redemptions or buy backs (translated, if not in the Share Currency, into the Share Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the average of the daily Volume Weighted Average Price of an Ordinary Share on the five dealing days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the five dealing days immediately preceding the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Share Currency in an

amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by CSG or, as the case may be, any of its Subsidiaries (translated where appropriate into the Share Currency as provided above) exceeds the product of (i) 105 per cent. of the daily Volume Weighted Average Price of an Ordinary Share determined as aforesaid and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;

- (iv) if CSG or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (iii) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser;
- (v) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by CSG for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than, or in addition to, CSG, such dividend or distribution shall for the purposes of Condition 7 be treated as a dividend or distribution made or paid to Shareholders by CSG, and the foregoing provisions of this definition and the provisions of Condition 7, including references to CSG paying or making a dividend, shall be construed accordingly, and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; and
- (vi) a dividend or distribution that is a Spin-Off shall be deemed to be a Non-Cash Dividend paid or made by CSG;

“**Due Date**” in respect of any payment on any Tier 2 BCN, 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;

“**Exchange Rate**” means in relation to any currency the arithmetic average of the Prevailing Rate between such currency and the Specified Currency on each of the 5 Business Days ending on the 10th Business Day prior to the date of the Contingency Event Notice or, as the case may be, the Viability Event Notice;

“**Exempt Reorganisation**” means a Reorganisation where, immediately after completion of the relevant proceedings, the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are (i) admitted to trading on the Primary Stock Exchange or (ii) admitted to listing on such other regulated, regularly operating, recognised stock exchange or securities market as CSG or Newco may determine;

“**Extraordinary Resolution**” has the meaning given to it in Condition 13(a)(x) and (xi);

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined by an Independent Financial Adviser in good faith, provided that (i) the Fair Market Value of a Cash Dividend shall be the amount of such Cash Dividend; (ii) the Fair Market Value of any other cash amount shall be the amount of such cash; (iii) where Securities, Spin-Off Securities, options, warrants or other rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined in good faith by an Independent Financial Adviser), the Fair Market Value (a) of such Securities or Spin-Off Securities shall equal the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights, in the case of (a) and (b), during the period of five dealing days on the relevant stock exchange or securities market commencing on such date (or, if later, the first such dealing day such Securities, Spin-Off Securities, options, warrants or other rights are publicly

traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights are publicly traded; (iv) where Securities, Spin-Off Securities, options, warrants or other rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined in good faith by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof. Such amounts shall, in the case of (i) above, be translated into the Share Currency (if declared or paid or payable in a currency other than the Share Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Share Currency; and, in any other case, shall be translated into the Share Currency (if expressed in a currency other than the Share Currency) at the Prevailing Rate on that date. In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

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

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

“**Floor Price**” means such price and in such Specified Currency as is specified in the Pricing Schedule, subject to adjustment thereafter in accordance with Condition 7(e);

“**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;

“**Holder**” has the meaning provided in Condition 2(c);

“**Holders' Meeting**” has the meaning provided in Condition 13(a)(i);

“**Holders' Representative**” has the meaning provided in Condition 13(a)(i);

“**Independent Financial Adviser**” means an independent financial institution of international repute appointed at its own expense by CSG;

“**Intermediary**” has the meaning provided in Condition 2(a);

“**Intermediated Securities**” has the meaning provided in Condition 2(b);

“**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;

“**New Calculation Amount**” has the meaning provided in Condition 8(c);

“**New Specified Denomination**” has the meaning provided in Condition 8(c);

“**Notice Cut-off Date**” has the meaning provided in Condition 7(m)(ii);

“**Ordinary Resolution**” has the meaning provided in Condition 13(a)(x);

“**Ordinary Shares**” means registered ordinary shares of CSG of CHF0.04 nominal value at the Issue Date (Swiss Security Number: 1 213 853 / ISIN: CH001 213 853 0 / Bloomberg Code: CSGN VX) which are listed on the SIX Swiss Exchange. The Ordinary Shares deliverable upon Conversion of the Tier 2 BCNs will be shares newly issued from the conditional capital, authorised capital or, if then existing, convertible capital

(*Wandlungskapital*) of CSG. Ordinary Shares will rank *pari passu* with all other ordinary registered shares of CSG for any and all distributions payable on them on or after the relevant Share Creation Date;

“**Other Securities**” means equity securities of CSG other than the Ordinary Shares;

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);

“**Prevailing Rate**” means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12 noon (London time) on that date as appearing on or derived from the Reference Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12 noon (London time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the Reference Page, the rate determined in such other manner as an Independent Financial Adviser shall in good faith prescribe;

“**Primary Stock Exchange**” means the SIX Swiss Exchange or, if at the relevant time the Ordinary Shares are not at that time listed and admitted to trading on the SIX Swiss Exchange, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or accepted for dealing;

“**Quarterly Financial Report**” means the financial accounts and disclosures of CSG and the Group in respect of a calendar quarter reporting period (the “**Quarterly 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;

“**Recognised Stock Exchange**” means an EEA Regulated Market, or an exchange that is a member of the World Federation of Exchanges or another regulated, regularly operating, recognised stock exchange or securities market in Switzerland;

“**Reference Page**” means the relevant page on Bloomberg or such other information service provider that displays the relevant information;

“**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;

“**Reorganisation**” means proceedings which effect the interposition of a limited liability company (“**Newco**”) between the Shareholders of CSG immediately prior to such proceedings (the “**Existing Shareholders**”) and CSG; provided that (i) only ordinary shares or units or equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are issued to Existing Shareholders; (ii) immediately after completion of such proceedings the only holders of ordinary shares, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco, are Existing Shareholders holding in the same proportions as immediately prior to completion of such proceedings; (iii) immediately after completion of such proceedings, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder of CSG; (iv) all Subsidiaries of CSG immediately prior to such proceedings (other than Newco, if Newco is then a Subsidiary of CSG) are Subsidiaries of CSG (or of Newco) immediately after completion of such proceedings; and (v) immediately after completion of such proceedings, CSG (or Newco) holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by CSG immediately prior to such proceedings;

“**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;

“**Securities**” means any equity securities including, without limitation, shares in the capital of CSG, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of CSG;

“**Settlement Shares Depository**” means a reputable independent financial institution, trust company or similar entity to be appointed by the Issuer on or prior to any date when a function ascribed to the Settlement Shares Depository in these Conditions is required to be performed to perform such functions and who will hold Ordinary Shares in a designated trust account for the benefit of the Holders and otherwise on terms consistent with these Conditions;

“**Share Creation Date**” means, in relation to Ordinary Shares to be issued and delivered upon Conversion, the date falling after the Contingency Event Notice or, as the case may be, Viability Event Notice and on or prior to the relevant Conversion Date on which as a matter of Swiss law the relevant Ordinary Shares are paid up;

“**Share Currency**” means Swiss francs or, if at the relevant time or for the purposes of the relevant calculation or determination the SIX Swiss Exchange is not the Primary Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Primary Stock Exchange at such time;

“**Shareholders**” means the holders of Ordinary Shares;

“**SIS**” means SIX SIS Ltd.;

“**SIX Swiss Exchange**” means SIX Swiss Exchange Ltd;

“**Spin-Off**” means:

- (i) a distribution of Spin-Off Securities by CSG to Shareholders as a class; or
- (ii) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than CSG) to Shareholders as a class or, in the case of or in connection with a Reorganisation, Existing Shareholders as a class (but excluding the issue and allotment of ordinary shares (or depositary or other receipts or certificates representing such ordinary shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with CSG or any of its Subsidiaries;

“**Spin-Off Securities**” means equity share capital of an entity other than CSG or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than CSG;

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

“**Substitution Date**” has the meaning provided in Condition 13(d);

a “**Takeover Event**” shall occur if any person or persons acting in concert acquires control of CSG (other than as a result of an Exempt Reorganisation). For the purposes of the definition of “Takeover Event”, “**control**” means the acquisition or holding of legal or beneficial ownership of more than 95 per cent. of the issued Ordinary Shares of CSG and as a consequence thereof, the Ordinary Shares are no longer admitted to trading on any Recognised Stock Exchange, and “controlled” shall be construed accordingly;

a “**Tax Event**” is deemed to have occurred if in making any payments on the Tier 2 BCNs, the Issuer (or the Guarantor, in respect of payments under the Guarantee) 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 Tier 2 BCNs 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 (or the Guarantor, as the case may be) cannot avoid the foregoing by taking measures reasonably available to it;

“**Tax Jurisdiction**” means Guernsey and/or Switzerland;

“**Threshold Ratio**” means, at any time, 7 per cent. or, at the relevant time, any lower minimum common equity tier 1 threshold ratio as may be provided for under prevailing National Regulations in relation to Buffer Capital Instruments;

“**Tier 1 Capital**” means (a) prior to the Basel III Regulations Date, any or all items treated as tier 1 capital under BIS Regulations and (b) on or after the Basel III Regulations Date, 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 (whether or not acting through a branch) but excluding Tier 1 Shares or (b) by a Subsidiary of CSG and having the benefit of a guarantee, credit support agreement or similar undertaking of CSG, 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 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 the Issuer or CSG or any other 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 at the relevant time tier 2 capital under National Regulations or BIS Regulations;

“**Tier 2 Instruments**” means any and all securities or other obligations issued (a) by CSG (whether or not acting through a branch) or (b) by a Subsidiary of CSG and having the benefit of a guarantee, credit support agreement or similar undertaking of CSG, each of which securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that is eligible to qualify, as Tier 2 Capital of the Group on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis; and

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any dealing day, the order book volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from the relevant Bloomberg page or (in the case of a Security (other than Ordinary Shares), Spin-Off Security, options, warrants or other rights) from the principal stock exchange or securities market on which such Securities, Spin-Off Securities, options, warrants or other rights are then listed or quoted or dealt in, if any or, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Financial Adviser on such dealing day, provided that if on any such dealing day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security, a Spin-Off Security, option, warrant or other right, as the case may be, in respect of such dealing day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding dealing day on which the same can be so determined or determined as an Independent Financial Adviser might otherwise determine in good faith to be appropriate.

In these Conditions, capitalised terms have the meaning given to them in the relevant Pricing Schedule, the absence of any such meaning indicating that such term is not applicable to the Tier 2 BCNs.

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 Tier 2 BCNs 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 Conversion 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 under the Trust Deed in respect of any such amount.

References to any issue or offer or grant to Shareholders or Existing Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders or Existing Shareholders, as the case may be, other than Shareholders or Existing Shareholders, as the case may be, to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as an Independent Financial Adviser determines in good faith to be appropriate to reflect any consolidation or sub-division of the Ordinary Shares or any issue of Ordinary Shares by way of capitalisation of profits or reserves, or any like or similar event.

For the purposes of Condition 7, (1) references to the “issue” of Ordinary Shares or Ordinary Shares being “issued” shall, unless otherwise expressly specified in those paragraphs, include the delivery of Ordinary Shares, whether newly issued and allotted or previously existing or held by or on behalf of CSG or any of its Subsidiaries, and (2) Ordinary Shares held by or on behalf of CSG or any of its respective Subsidiaries shall not be considered as or treated as “in issue” or “issued” or entitled to receive the relevant Dividend, right or other entitlement.

References in Condition 7 to listing on the SIX Swiss Exchange (or like or similar references) shall be construed as admission to the Main Standard of the SIX Swiss Exchange.

18 Governing Law and Jurisdiction

(a) *Governing Law*

The Conditions and the Tier 2 BCNs shall be governed by, and construed in accordance with the laws of Switzerland, save that, as long as Credit Suisse Group (Guernsey) IV Limited is the Issuer, the provisions of Condition 3 relating to the status and subordination of the Tier 2 BCNs in respect of the Issuer shall be governed by, and construed in accordance with, the laws of the Island of Guernsey.

(b) *Jurisdiction*

Any dispute which might arise based on the Conditions, the Tier 2 BCNs and the Permanent Global Certificate shall fall within the exclusive jurisdiction of the courts of the city of Zurich, and if permitted, the Commercial Court of the Canton of Zurich, the place of jurisdiction being Zurich 1. The submission of the Issuer to the exclusive jurisdiction is made for the benefit of the Holders only.

Holders are also at liberty to enforce their rights and to take legal action against Credit Suisse Group (Guernsey) IV Limited as the Issuer before the competent courts of Guernsey or any other competent court or authority, in which case Swiss law shall also be applicable with respect to the Conditions, the Tier 2 BCNs and the Permanent Global Certificate.

(c) ***Service of Process***

Credit Suisse Group (Guernsey) IV Limited as the Issuer designates Credit Suisse AG as its representative for service of judicial documents pursuant to art. 140 of the Swiss Rules of Civil Procedure (*Schweizerische Zivilprozessordnung*), and elects legal and special domicile pursuant to art. 50 of the Swiss Act on Debt Enforcement and Bankruptcy at the offices of Credit Suisse AG at Paradeplatz 8, CH-8001 Zurich, Switzerland. Credit Suisse AG undertakes to transmit to the Issuer as soon as possible any notice received by Credit Suisse AG in this connection.

PART B

Pricing Schedule

relating to Credit Suisse Group (Guernsey) IV Limited

CHF 750,000,000 7.125 per cent. Tier 2 BCNs due 22 March 2022

guaranteed on a subordinated basis by

Credit Suisse Group AG

The terms and conditions of the Tier 2 BCNs are as set out in the Purchase Agreement as supplemented by this Pricing Schedule.

In relation to the Tier 2 BCNs, this Pricing Schedule is the Pricing Schedule referred to in Schedule 1 to the Purchase Agreement.

- | | |
|------------------------------------------|--------------------------------------------------|
| 1. Issuer: | Credit Suisse Group (Guernsey) IV Limited |
| 2. Guarantor: | Credit Suisse Group AG |
| 3. Series Number: | 1 |
| 4. Specified Currency or Currencies: | CHF |
| 5. Aggregate Principal Amount: | |
| (i) Series: | CHF 750,000,000 |
| (ii) Tranche: | CHF 750,000,000 |
| 6. (i) Specified Denomination: | CHF 5,000 and integral multiples thereof |
| (ii) Calculation Amount: | CHF 5,000 |
| 7. Issue Date: | 22 March 2012 |
| 8. Interest Commencement Date: | Issue Date |
| 9. Interest Basis: | Fixed Rate (further particulars specified below) |
| 10. Redemption/Payment Basis: | 100 per cent. of Principal Amount |
| 11. Change of Interest or Payment Basis: | See item 12 below |

PROVISIONS RELATING TO INTEREST PAYABLE

- | | |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12. Fixed Rate Note Provisions | Applicable |
| (i) Fixed Rate of Interest: | 7.125 per cent. per annum payable annually in arrear until (but excluding) the First Optional Redemption Date. From (and including) the First Optional Redemption Date until the relevant Redemption Date, the aggregate of 6.685 per cent. and the Mid Swap Rate payable annually in arrear. |
| | <p>“Mid Swap Rate” means the 5-year CHF mid market swap rate (the “5-year Mid Swap Rate”) displayed on ISDAFIX (Reuters page “CHFSFIX” / Bloomberg page “ISDA09”) (or such other page as may replace that page on ISDAFIX, or such other</p> |

service as may be nominated by the person providing or sponsoring the information appearing there for the purposes of displaying comparable rates) at 11.00 a.m. (London time) on the Interest Determination Date. If the 5-year Mid Swap Rate does not appear on that page, it shall be determined by the Paying and Conversion Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the CHF swap market of the rates at which swaps for a 5 year period in CHF are offered by it at approximately 11.00 a.m. (London time) on the Interest Determination Date to participants in the CHF swap market; and (ii) the arithmetic mean rounded, if necessary, to the nearest 0.00001 (0.000005 being rounded upwards) of such quotations.

- | | |
|--------------------------------------------|----------------------------------------------------|
| (ii) Day Count Fraction | 30/360 |
| (iii) Interest Payment Date(s) | 22 March in each year, commencing on 22 March 2013 |
| 13. Fixed/Floating Rate Provisions | Not Applicable |
| 14. Floating Rate Note Provisions | Not Applicable |
| 15. Fixed/Floating Rate Tier 2 BCNs | Not Applicable |

PROVISIONS RELATING TO CONVERSION

- | | |
|------------------------------------------------------------------------------|---------------|
| 16. Floor Price (subject to adjustment as provided in the Conditions) | CHF 20.00 |
| 17. Final Maturity Date: | 22 March 2022 |

PROVISIONS RELATING TO REDEMPTION

18. Early Redemption

- | | |
|----------------------------------|-----------------|
| First Optional Redemption Date: | 22 March 2017 |
| Other optional redemption dates: | Not Applicable. |

19. Redemption due to Taxation

- | | |
|-----------------------|------------------------------------------------|
| Tax redemption dates: | At any time in accordance with Condition 8(d). |
|-----------------------|------------------------------------------------|

20. Redemption for Capital Event

- | | |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital Event Redemption Amount: | 102 per cent. of principal amount |
| Capital Event redemption dates: | At any time from the earlier to occur of the Basel III Regulations Date and the first date on which CSG is required to comply with Buffer Capital requirements under National Regulations. |

21. Redemption for Takeover Event

- | | |
|----------------------------------|-----------------------------------|
| Takeover Event Redemption Amount | 104 per cent. of principal amount |
|----------------------------------|-----------------------------------|

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|----------------------------------------------------------------------------|--------------------|
| 22. | Financial Centre(s) or other special provisions relating to payment dates: | Zurich |
| 23. | Ratings: | Fitch: BBB- |
| 24. | Listing: | SIX Swiss Exchange |
| 25. | Listing Agent: | Credit Suisse AG |
| 26. | Paying and Conversion Agent: | Credit Suisse AG |
| 27. | Calculation Agent: | Credit Suisse AG |
| 28. | Share Delivery Agent: | Credit Suisse AG |
| 29. | Swiss Security Number: | 18 111 568 |
| 30. | ISIN Code: | CH0181115681 |
| 31. | Common Code: | 075779950 |

GUARANTEE

(in the meaning of Article 111 of the Swiss Federal Code of Obligations (“CO”), hereinafter called the “Guarantee”)

1. Being informed that Credit Suisse Group (Guernsey) IV Limited (the “**Issuer**”) issued and sold CHF 750,000,000 7.125 per cent. Tier 2 Buffer Capital Notes (“**Tier 2 BCNs**”), Credit Suisse Group AG, Zurich, Switzerland (the “**Guarantor**”), hereby irrevocably and unconditionally guarantees to the holders of the Tier 2 BCNs (the “**Holders**”) in accordance with Article 111 CO, irrespective of the validity of the Tier 2 BCNs, or the validity of the purchase agreement entered into between the Issuer, the Guarantor and the Syndicate Banks (as defined therein) on 20 March 2012 or any other agreement entered into in relation to the Tier 2 BCNs (the “**Agreements**”), and waiving all rights of objection and defence arising from the terms and conditions of the Tier 2 BCNs (the “**Conditions**” and each a “**Condition**”) and/or the Agreements, (i) the due and punctual payment of all principal, interest and any other sums from time to time expressed to be payable by the Issuer in respect of the Tier 2 BCNs, (ii) upon the occurrence of a Contingency Event Conversion or a Viability Event Conversion, the due delivery of the Ordinary Shares, and (iii) the performance of any other action to be performed by the Issuer in accordance with the Conditions.

Accordingly, the Guarantor agrees to pay, deliver or perform within seven (7) days after the receipt by the Guarantor of any Holder's first written demand and confirmation in writing (i) that an amount has become due and payable by the Issuer under the Tier 2 BCNs which is equivalent to the amount claimed under the Guarantee, and such amount remained unpaid, or (ii) that, as a result of the conversion of the Tier 2 BCNs, Ordinary Shares were required to be delivered by the Issuer but were not delivered when due, or (iii) that any other action was required to be performed by the Issuer in accordance with the Conditions but was not performed when due, any amount due and payable and/or any number of Ordinary Shares that the Issuer is required to procure that the Guarantor delivers to the Settlement Shares Depository under and pursuant to the Conditions and/or any other action to be performed by the Issuer in accordance with the Conditions.

2. All payments of principal and/or interest to Holders by or on behalf of the Guarantor under the Guarantee 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 under the indemnity in Condition 13(d), the Guarantor shall pay such additional amounts (the “**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 Tier 2 BCNs; except that no such Additional Amounts shall be payable with respect to any Tier 2 BCN on account of:
 - (a) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN by reason of the Holder having some connection with a Tax Jurisdiction other than the mere holding of such Tier 2 BCN; or
 - (b) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN presented for payment more than 30 days after the Due Date (as defined below) 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); or
 - (c) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN where such withholding or deduction is imposed on a payment to an individual and is (A) required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such

Directive, (B) required to be made pursuant to the Agreement between the European Community and the Confederation of Switzerland dated as of 26 October 2004 (the “Swiss Savings Tax Agreement”) providing for measures equivalent to those laid down in the European Council Directive 2003/48/EC or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, the Swiss Savings Tax Agreement, (C) required to be made pursuant to agreements between Guernsey and the EU Member States (the “Guernsey Savings Tax Agreements”) providing for measures equivalent to those laid down in the European Council Directive 2003/48/EC or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such Guernsey Savings Tax Agreements, or (D) required to be made pursuant to any agreements between the European Community and other countries or territories providing for measures equivalent to those laid down in the European Council Directive 2003/48/EC or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such agreements; or

- (d) any such taxes, duties, assessments or other governmental charges imposed on a payment in respect of the Tier 2 BCNs and which is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those set out (x) in the European Council Directive 2003/48/EC or (y) in the draft legislation proposed by the Swiss Federal Council on 24 August 2011, including but without limitation that a person other than the Issuer or Guarantor such as, without limitation, any paying agent, be required to withhold or deduct tax; or
- (e) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN, the withholding or deduction of which the Holder would have been able to avoid by holding the relevant Tier 2 BCN through a custodian or depository bank in a Member State of the European Union; or
- (f) any such taxes, duties, assessments or other governmental charges imposed in respect of such Tier 2 BCN where such withholding or deduction is required by the Swiss Federal Withholding Tax Code of 13 October 1965 (Bundesgesetz über die Verrechnungssteuer vom 13 Oktober 1965 as amended from time to time); or
- (g) any combination of two or more items (a) to (f) above.

3. The Guarantee constitutes a direct, unconditional, unsecured and subordinated obligation of the Guarantor as hereinafter provided, except for such preferences as are provided by any mandatory applicable provision of law.

In the event of an order being made, or an effective resolution being passed, for the liquidation or winding-up of the Guarantor:

- (a) prior to the occurrence of a Contingency Event or a Viability Event, the claims of the Holders against the Guarantor in respect of or arising under the Guarantee shall rank (i) junior to all claims of Guarantor Priority Creditors, (ii) at least *pari passu* with Guarantor Parity Obligations and (iii) senior to the rights and claims of all holders of Guarantor Junior Capital;
- (b) on and after the occurrence of a Contingency Event or a Viability Event, the rights and claims of Holders against the Guarantor under the Guarantee in respect of any Accrued Conversion Interest shall rank in the manner described in Article 3(a) above; and
- (c) on and after the occurrence of a Contingency Event or a Viability Event and an announcement that the Guarantor is unable to create and issue the Ordinary Shares so as to fulfil the provisions of Conversion set out in Condition 7(a), the claims of the Holders in respect of the delivery of Ordinary Shares in accordance with Condition 7 will convert to a monetary claim of such Holder against the Guarantor to participate in the liquidation proceeds of the Guarantor with a claim per Tier 2 BCN for a sum equal to

that which holders of the number of Ordinary Shares into which such Tier 2 BCNs should have been converted at the then Conversion Price would receive out of the liquidation proceeds of the Guarantor.

“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.

“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 the Guarantor pursuant to, BIS Regulations applicable at the relevant time.

“Guarantor Junior Capital” means (i) all subordinated obligations of the Guarantor in respect of undated Tier 2 Instruments, (ii) all securities or other obligations of the Guarantor in respect of Tier 1 Instruments and (iii) all classes of paid-in capital in relation to shares (and participation certificates, if any) of the Guarantor.

“Guarantor Parity Obligations” means (i) all obligations of the Guarantor in respect of Tier 2 Instruments and (ii) any other securities or obligations (including any guarantee, credit support agreement or similar undertaking) of the Guarantor that rank, or are expressed to rank, *pari passu* with the Tier 2 BCNs or any Guarantor Parity Obligation.

“Guarantor Priority Creditors” means creditors of the Guarantor whose claims are in respect of debt and other obligations (including those in respect of bonds, notes, debentures and guarantees) which are unsubordinated.

“Tier 1 Capital” means (a) prior to the Basel III Regulations Date, any or all items treated as tier 1 capital under BIS Regulations and (b) on or after the Basel III Regulations Date, Additional Tier 1 Capital together with Common Equity Tier 1 Capital.

“Tier 2 Capital” means any or all items constituting at the relevant time tier 2 capital under National Regulations or BIS Regulations.

“Tier 1 Instruments” means any and all shares, securities, participation securities or other obligations issued (a) by the Guarantor (whether or not acting through a branch) but excluding Tier 1 Shares or (b) by a Subsidiary of the Guarantor and having the benefit of a guarantee, credit support agreement or similar undertaking of the Guarantor, 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 the Guarantor and/or the Group (without regard to quantitative limits on such capital) on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis.

“Tier 2 Instruments” means any and all securities or other obligations issued (a) by the Guarantor (whether or not acting through a branch) or (b) by a Subsidiary of the Guarantor and having the benefit of a guarantee, credit support agreement or similar undertaking of the Guarantor, each of which securities or other obligations under (a) and (b) qualify, or are issued in respect of a security that is eligible to qualify, as Tier 2 Capital of the Group 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 the Issuer or the Guarantor or any other Subsidiary of the Guarantor that qualify as Tier 1 Capital of the Guarantor on a consolidated (*Finanzgruppe*) or on an unconsolidated (*Einzelinstitut*) basis.

4. Subject to applicable law and as provided for in Condition 7(a), no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with, the Guarantee, and each Holder shall, by virtue of his holding of any Tier 2 BCN, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Guarantor in respect of, or arising under or in connection with the Guarantee 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 Guarantor (or, in the event of its liquidation, dissolution or winding-up, the liquidator of the Guarantor) 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 Guarantor) and accordingly any such discharge shall be deemed not to have taken place.
5. Payments under the Guarantee shall be made in CHF. The Guarantor undertakes to pay to the Holders, (i) irrespective of any present or future transfer restrictions and outside of any bilateral or multilateral payment or clearing agreement, which may be applicable at the time of such payments, (ii) without collection costs in Switzerland, and (iii) without any restrictions and irrespective of any requirement for the delivery of an affidavit or the fulfilment of any other formality, any sums due pursuant to the Guarantee in CHF in accordance with the Conditions. Any transfer tax, which might possibly be imposed on the transfer of such funds shall be borne by the Guarantor.
6. The Guarantee shall give rise to a separate and independent cause of action against the Guarantor, shall apply irrespective of any indulgence granted to the Issuer by any Holder from time to time, and shall continue in full force and effect notwithstanding any judgement or order against the Issuer and/or the Guarantor.
7. Whilst any Tier 2 BCN remains outstanding, the Guarantor shall, save with the approval of an Extraordinary Resolution:
 - (i) (other than in connection with a Reorganisation) not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
 - (1) by the issue of fully paid Ordinary Shares or other Securities to Shareholders and other holders of shares in the capital of the Guarantor which, by their terms, entitle the holders thereof to receive Ordinary Shares or other shares or Securities on a capitalisation of profits or reserves; or
 - (2) by the issue of Ordinary Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a Dividend in cash; or
 - (3) by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Guarantor which, by their terms, entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
 - (4) by the issue of Ordinary Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Guarantor or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Dividend or otherwise gives rise (or would, but for the provisions of Condition 7(i) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Floor Price;

- (ii) not modify the rights attaching to the Ordinary Shares with respect to voting, dividends or liquidation but so that nothing in this Article 7(ii) shall prevent:
 - (1) any consolidation, reclassification or subdivision of the Ordinary Shares; or
 - (2) any modification of such rights which is not materially prejudicial to the interests of the Holders as determined in good faith by an Independent Financial Adviser;
- (iii) procure that no Securities (whether issued by the Guarantor or any Subsidiary of the Guarantor or procured by the Guarantor or any Subsidiary of the Guarantor to be issued or issued by any other person pursuant to any arrangement with the Guarantor or any Subsidiary of the Guarantor) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last dealing day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of Condition 7(i) relating to roundings and minimum adjustments or the carry forward of adjustments, give rise) to an adjustment to the Floor Price and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- (iv) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on a Conversion, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (v) not reduce its issued share capital, share premium account, capital redemption reserve, or any uncalled liability in respect thereof, or any non-distributable reserves, except where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 7(i) relating to roundings or the carry forward of adjustments, result in) an adjustment to the Floor Price or is otherwise taken into account for the purposes of determining whether or not such an adjustment should be made;
- (vi) in the event of a Reorganisation, take (or shall procure that there is taken) all necessary action to ensure that, immediately after completion of the relevant proceedings, such amendments are made to the Conditions as are necessary to ensure that the Tier 2 BCNs may be converted into or exchanged for ordinary shares or units or the equivalent in Newco mutatis mutandis in accordance with and subject to the Conditions and the ordinary shares or units or the equivalent of Newco are listed and admitted to trading on a Recognised Stock Exchange;
- (vii) issue, allot and/or deliver Ordinary Shares upon Conversion subject to and as provided in Condition 7;
- (viii) save following a Non-Qualifying Takeover Event until any such time as Ordinary Shares are required to be delivered to Holders following the occurrence of a Contingency Event or Viability Event, use all reasonable endeavours to ensure that its issued and outstanding Ordinary Shares and the Ordinary Shares or, as appropriate, Approved Entity Shares issued upon Conversion shall be admitted to listing and trading on the Primary Stock Exchange or admitted to listing on another regulated, regularly operating, recognised stock exchange or securities market;
- (ix) at all times keep available for issue, free from pre-emptive or other preferential rights, a sufficient number of Ordinary Shares to enable Conversion of the Tier 2 BCNs, and all other rights of subscription and exchange for Ordinary Shares, to be satisfied in full; and
- (x) where the provisions of Condition 7 require or provide for a determination by an Independent Financial Adviser or a role to be performed by a Settlement Shares Offer Agent and/or a Share

Delivery Agent, the Guarantor shall use all reasonable endeavours promptly to appoint such person for such purpose.

8. Notwithstanding any reference herein to the Tier 2 BCNs and the Agreements, the Guarantor hereby acknowledges and agrees that this Guarantee and the Guarantor's obligations under this Guarantee shall constitute separate, independent, primary and non-accessory guarantee obligations of the Guarantor within the meaning of Article 111 CO and not a mere surety within the meaning of Article 492 et seq. CO and will, in particular, not be affected or discharged by reason of any time or other indulgence granted by the Holders or the winding-up, insolvency or reorganisation of the Issuer. This Guarantee and the Guarantor's obligations under this Guarantee shall in particular be independent from the legal validity and enforceability of the Holders' claims under the Tier 2 BCNs and the Guarantor hereby waives all rights of objection and defence arising from the Tier 2 BCNs and the Agreements.
9. For so long as the Tier 2 BCNs are outstanding, the Guarantor undertakes that:
 - (a) unless the Guarantor is itself being wound up, it will not permit or take any action that would or might cause, the liquidation, dissolution or winding up of the Issuer; and
 - (b) the Issuer will at all time be a subsidiary of the Guarantor itself or a directly or indirectly wholly-owned subsidiary of the Guarantor; and
 - (c) it will not omit to take any action that enables the Issuer to perform its obligations under the Tier 2 BCNs.
10. The Guarantee is governed by Swiss law.

Any dispute which might arise between the Holders, on the one hand, and the Guarantor, on the other hand, regarding the Guarantee shall be settled in accordance with Swiss law and 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.
11. Terms and expressions not otherwise defined in the Guarantee shall have the same meaning as defined in the Conditions.

Zurich, 20 March 2012

Credit Suisse Group AG (as the Guarantor)

By:

Title:

By:

Title:

USE OF PROCEEDS

The net proceeds from the issue of the Tier 2 BCNs amounting to CHF 735,000,000 will be invested in capital instruments issued by a company in the Group. Prior to the occurrence of a Substitution Date or a Contingency Event or Viability Event, the net proceeds will be applied exclusively by the Issuer outside Switzerland for its general corporate purposes.

CREDIT SUISSE GROUP (GUERNSEY) IV LIMITED

General

Credit Suisse Group (Guernsey) IV Limited is a non-cellular company incorporated in Guernsey, limited by shares. The Issuer was incorporated on 22 February 2012 in Guernsey under Guernsey law with registration number 54699, and shall continue in existence until it is removed from the Register of Companies in accordance with Guernsey law. The registered office of the Issuer is located at Helvetia Court, South Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3WF. The telephone number is +44 1481 719088.

The Issuer is wholly-owned by the Guarantor. It exists for the purpose of issuing debt securities, the proceeds of which will be advanced to, or otherwise invested in, subsidiaries or affiliates of the Guarantor. Accordingly, the Issuer is dependent on the Guarantor and other members of the Group servicing these advances.

The issued share capital of the Issuer is CHF 50,000 divided into 50,000 fully paid up ordinary shares with an issue price of CHF 1 each. The share capital of the Issuer is an unlimited number of shares of no par value which may be issued as ordinary shares. The Issuer holds none of its own shares.

Management

The Directors of the Issuer are as follows:

Name	Position	Principal Activities outside the Issuer
Roy McGregor	Director	Chief Executive Officer, Credit Suisse (Guernsey) Limited
Kenneth Charles Wallbridge	Director	Head of Operations, Credit Suisse (Guernsey) Limited
Kim Fox-Moertl	Director	Head of Capital Management, Credit Suisse
Roger Rimann	Director	Treasurer, Credit Suisse (Guernsey) Limited
Anthony Le Conte	Director	Head of New Business, Credit Suisse (Guernsey) Limited

The service address of the Directors is Helvetia Court, South Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3WF. There are no conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Issuer.

Dividends

The Issuer has not paid any dividends nor made any distributions as those terms are defined under Guernsey law since its incorporation.

Assets and Liabilities

The Issuer has not acquired any assets nor incurred any loan capital or other borrowings or indebtedness or any contingent liabilities since its formation.

Auditors

The Issuer's independent auditors are KPMG Audit Plc, 1 Canada Square, London, E14 5AG, United Kingdom.

The Issuer was incorporated on 22 February 2012 and has not yet prepared any accounts. Its accounting reference date is 31 December and its first accounts will be prepared in accordance with International Financing Reporting Standards (IFRS) as at, and for the period ending, 31 December 2012. The Issuer will produce annual audited financial statements in accordance with IFRS.

Business Purpose

Pursuant to the Issuer's Memorandum of Incorporation dated 21 February 2012 and section 113 of the Companies (Guernsey) Law, 2008, as amended, the Issuer's objects are unrestricted. The Issuer's Memorandum of Incorporation and its articles of incorporation have been registered with the Guernsey companies registry on 22 February 2012.

Most Recent Business Performance

The Issuer has been established for the purpose of issuing the Tier 2 BCNs and has not carried on any business since its date of incorporation.

Publication

Pursuant to the Issuer's articles of incorporation, the Issuer may use electronic means to communicate with its shareholders, provided that the shareholders have provided an email address for service. Electronic means include notices sent by email and published on a website. Where notices are published on a website an email must be sent to the shareholders informing them of the publication of the notice. The Issuer may also communicate with the shareholders by post. Any notices required to be filed pursuant to the Companies (Guernsey) Law 2008 are filed by the Issuer at the Guernsey companies registry and if required the registrar published such notices on the Guernsey Companies registry website (www.guernseyregistry.com).

Notices required under the Listing Rules of the SIX Swiss Exchange will be published in compliance with applicable Listing Rules of the SIX Swiss Exchange.

General

The Issuer does not have an audit committee. As a subsidiary of the Guarantor it complies with the Guarantor's overall corporate governance regime.

The Issuer is not involved in any court, arbitral or administrative proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the Issuer's assets and liabilities or profits and losses since its date of incorporation.

CREDIT SUISSE GROUP AG

History and Structure

The history of CSG dates back to the formation of Schweizerische Kreditanstalt, founded in 1856. The first branch opened in Basel in 1905 and the first branch outside of Switzerland opened in New York in 1940. In 1978, a cooperation with First Boston, Inc. began and, in 1990, CSG acquired a controlling stake. CSG purchased a controlling stake in Bank Leu in 1990, Schweizerische Volksbank in 1993, Neue Aargauer Bank in 1994 and Winterthur in 1997. In addition, CSG acquired Donaldson, Lufkin & Jenrette Inc. in 2000. In 2006, CSG sold Winterthur, allowing it to focus on its banking operations.

On 13 May 2005, the two Swiss bank legal entities Credit Suisse and Credit Suisse First Boston merged. The merged bank, Credit Suisse AG (“CS”), is a Swiss bank and joint stock corporation established under Swiss law and is a wholly-owned subsidiary of CSG. CS formed the basis for the integration of the banking business. The newly integrated global bank was launched on 1 January 2006. It operates under a new single Credit Suisse brand. The structure of CSG and CS is described below under “Business.”

Business

CS is a wholly-owned subsidiary of CSG, and its business is substantially the same as that of CSG. Substantially all of CS’s operations are conducted through the Private Banking, Investment Banking and Asset Management segments. Accordingly, all references to CSG in the description of the business set out below are describing the consolidated businesses carried on by CSG and its subsidiaries and therefore should be read as applying equally to CSG and CS, except where specifically stated otherwise. For more information on the differences between CSG and CS, refer to “II—Operating and Financial review—Credit Suisse—Differences between Group and Bank” in the Credit Suisse Annual Report 2010.

CSG is a global financial services company domiciled in Switzerland. Since 2006, CSG’s activities have been operated and managed in three operating segments. The information in and incorporated by reference into this Prospectus reflects that operational and management structure.

Private Banking

In Private Banking, CSG offers comprehensive advice and a broad range of financial solutions to private, corporate and institutional clients. Private Banking comprises the Wealth Management Clients and Corporate & Institutional Clients businesses, and had total assets under management of CHF 927.9 billion as of the end of 2011. Wealth Management Clients serves more than two million clients, including ultra-high-net-worth and high-net-worth individuals around the globe and private clients in Switzerland. The Corporate & Institutional Clients business serves the needs of over 100,000 corporations and institutions, mainly in Switzerland, and is an important provider of financial products and services.

Investment Banking

In Investment Banking, CSG provides a broad range of financial products and services, with a focus on businesses that are client-driven, flow-based and capital-efficient. The suite of products and services provided by Investment Banking includes global securities sales, trading and execution, prime brokerage and capital raising and advisory services, as well as comprehensive investment research. Investment Banking’s clients include corporations, governments, pension funds and institutions around the world. CSG delivers its global investment banking capabilities via regional and local teams based in all major developed and emerging market centres. Investment Banking’s integrated business model enables it to gain a deeper understanding of

Investment Banking's clients and deliver creative, high-value, customised solutions based on expertise from across CSG.

Asset Management

In Asset Management, CSG offers investment solutions and services globally to a wide range of clients, including pension funds, governments, foundations and endowments, corporations and individuals. Asset Management invests across a broad range of asset classes with a focus on alternative investment strategies, emerging markets, asset allocation and traditional investment strategies. Its investment professionals deliver strong investment performance that can be accessed through best-in class products and holistic client solutions. Asset Management had CHF 408.0 billion of assets under management as of the end of 2011.

Board of Directors of CSG (the "Board")

<u>Name</u>	<u>Business address</u>	<u>Position held</u>
Urs Rohner	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland Position held	Full-time Chairman of the Board and of the Chairman's and Governance Committee since the Annual General Meeting 2011. From 2009 until April 2011, he was full-time Vice-Chairman of the Board and a member of the Chairman's and Governance Committee and the Risk Committee. Member of the Executive Boards of CSG and CS from 2004 to 2009, General Counsel of CSG from 2004 to 2009 and Chief Operating Officer and General Counsel of CS from 2006 to 2009. Expiration of Term of Office/Re-election: Annual General Meeting 2012. Due to his former executive functions at Credit Suisse, the Board has determined that he is not independent under the CSG's independence standards Urs Rohner is a member of the Board of Directors of the Institute of International Finance and of the Institute International d'Etudes Bancaires. He is also a member of the Board of Directors of the Zurich Opera House and a member of the Board of Trustees of the Lucerne Festival and the Credit Suisse Foundation. He also serves as a member of the International Business Leaders Advisory Council of the Mayor of Beijing.
Peter Brabeck-Letmathe	Nestlé S.A. Avenue Nestlé 55 1800 Vevey Switzerland	Vice-Chairman of the Board since 2008 (a function he held from 2000 to 2005). Member of the Board since 1997. Member of the Chairman's and Governance Committee since 2008 (also from 2003 to 2005), from 2008 to 2011 and from 2000 to 2005 he was a

Name	Business address	Position held
Jassim Bin Hamad J.J. Al Thani	Credit Suisse Group AG, Paradeplatz 8 8001 Zurich Switzerland	<p>member of the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2014.</p> <p>Chairman of Nestle' S.A., Vevey, since 2005. From 1997 to 2008 he was also the Chief Executive Officer of Nestlé.</p> <p>Other board memberships include L'Oréal S.A., Paris, since 1997, and Exxon Mobil Corporation and Delta Topco (Formula 1), both since 2010. He is also a member of the Foundation Board of the World Economic Forum and a member of the European Round Table of Industrialists.</p>
Robert H. Benmosche	American International Group, Inc 70 Pine Street New York, NY 10270 USA	<p>Member of the Board since 2010. His term expires at the AGM in 2013. The Board has determined him to be not independent under the CSG's independence standards.</p> <p>Chairman of the Board of Directors of Qatar Islamic Bank (QIB) since April 2005. Chairman of QInvest, Qatar; of European Finance House, London, UK; of Al Zaman Islamic Insurance Co.; and of Q-RE LLC, an insurance and reinsurance company. Member of the Board of Directors of Qatar Navigation Company, Qatar Insurance Company and ARCAPITA Bank, and CEO of Special Projects Company, Qatar, a family enterprise.</p> <p>Member of the Board since 2002 and member of the Compensation Committee since 2003. In August 2009, Robert H. Benmosche stepped down as a member of the Board as a result of his appointment as President and CEO of AIG. Changes in AIG's business have made it possible for him to rejoin the Board of Directors of Credit Suisse Group AG in April 2010. His term as a Member of the Board expires at the AGM in 2013.</p> <p>Robert H. Benmosche is President and CEO of American International Group, Inc. (AIG), New York. He was Chairman of the Board and Chief Executive Officer of MetLife, Inc., New York, from 2000 to 2006 and of Metropolitan Life Insurance Company,</p>

Name	Business address	Position held
Noreen Doyle	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	New York, from 1998 to 2006. Member of the Board since 2004. Member of the Risk Committee since 2009 (and previously from 2004 to 2007). From 2007 to 2008 she served on the Audit Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2013. First Vice President and Head of Banking of the European Bank for Reconstruction and Development (EBRD) from 2001 to 2005. Other board memberships include Newmont Mining Corporation, QinetiQ Group plc. and Rexam plc (all since 2005). She is a member of the Advisory Board of the Macquarie European Infrastructure Fund and the Macquarie Renaissance Infrastructure Fund.
Walter B.Kielholz	Swiss Reinsurance Company AG Mythenquai 50/60 8022 Zurich Switzerland	Member of the Board since 1999 and a member of the Compensation Committee since 2009. As of the AGM 2011, he is also a member of the Chairman's and Governance Committee. He served as Chairman of the Board of Directors and the Chairman's and Governance Committee of CSG from 2003 to April 2009. Expiration of Term of Office/Re-election: Annual General Meeting 2012. Chief Executive Officer of Swiss Reinsurance Company from 1997 until 2002, member of the Board since 1998, Executive Vice-Chairman since 2003, Vice-Chairman since 2007 and Chairman of the Board since May 2009. Member of the Board of Directors of the Geneva Association, the European Financial Roundtable and the Institute of International Finance.
Andreas N. Koopmann	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Member of the Board and member of the Risk Committee (since April 2009). Expiration of Term of Office/Re-election: Annual General Meeting 2012. Former CEO of Bobst Group S.A., Lausanne from 1995 to May 2009 and member of the Board from 1998 to 2002. Since February 2010 Chairman of the Board of Alstom (Suisse) SA. He

Name	Business address	Position held
		will resign from this function in March 2012. Member of the Board of Directors of Georg Fischer AG since February 2010. He will take over the presidency of this board in March 2012. Other board memberships include Nestlé S.A., Vevey since 2003 (as 1st Vice-Chairman and member of the Chairman's and Corporate Governance Committee), Swissmem (as Vice-Chairman) and CSD Group.
Jean Lanier	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Member of the Board of Directors since 2005. Member of the Audit Committee since 2005. In 2011 he was appointed to the Compensation Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2014. Former Chairman of the Managing Board and Group Chief Executive Officer of Euler Hermes, Paris, from 1998 to 2004. Jean Lanier is Chairman of the Boards of Directors for Swiss Re Europe SA, Swiss Re International SE and Swiss Re Europe Holdings SA and also serves on their respective audit and risk committees. He is a Member of the Board of the Foundation "La Fondation Internationale de l'Arche".
Anton van Rossum	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Member of the Board of Directors since 2005. Member of the Risk Committee since 2008. From 2005 to 2008, he served on the Compensation Committee. Expiration of Term of Office/ Re-election: Annual General Meeting 2014. Chief Executive Officer of Fortis from 2000 to 2004. He was also a member of the Board of Directors of Fortis during this time. Other board memberships include Munich Re AG since 2009, Solvay S.A., Brussels since 2006, Rodamco Europe NV, Rotterdam since 2007 and Royal Vopak NV, Rotterdam since 2007 where he has been Chairman of the Supervisory Board since 2008.
Aziz R.D.Syriani	The Olayan Group 111 Poseidonos Avenue P.O. Box 70228 Glyfada, Athens 16610 Greece	Member of the Board since 1998. Chairman of the Compensation Committee since 2004. Member of the Chairman's and Governance Committee since 2003 and member of

Name	Business address	Position held
		the Audit Committee from 2003 to 2007. Expiration of Term of Office/Re-election: Annual General Meeting 2013.
		President of The Olayan Group since 1978 and Chief Executive Officer since 2002. Other board memberships include Occidental Petroleum Corporation, Los Angeles, since 1983.
David W. Syz	ecodocs AG Dufourstrasse 21 8702 Zollikon Switzerland	Member of the Board since 2004. Member of the Audit Committee since 2004. Expiration of Term of Office/Re-election: Annual General Meeting 2013. Former State Secretary and Head of State Secretariat for Economic Affairs from 1999 to 2004.
		Other board memberships include Huber & Suhner AG, Pfäffikon since 2004 (Chairman since 2005) and Chairman of ecodocs AG, Zollikon since 2004.
Richard E. Thornburgh	Corsair Capital LLC 717 Fifth Avenue New York, NY 10022, USA	Member of the Board since 2006. Chairman of the Risk Committee since April 2009 (member since 2006) and member of the Chairman's and Governance Committee since 2009. As of the AGM 2011 he is also a member of the Audit Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2012.
		Vice-Chairman of Corsair Capital, a private equity investment company (since 2006).
		Member of the Executive Board of Credit Suisse First Boston (from 1997 to 2005). In 2004, he was appointed Executive Vice Chairman of Credit Suisse First Boston.
		Member of the Group Executive Board from 1997 to 2005. Chief Risk Officer of Credit Suisse Group AG from 2003 to July 2004.
		Other board memberships include New Star Financial Inc., Boston, since 2006 and CapStar Bank, Nashville, since 2008.
John Tiner	Resolutions Operations LLP 23 Savile Row	Member of the Board and member of the Audit Committee since April 2009. Since the Annual General Meeting in

Name	Business address	Position held
	London W1S 2ET	2011, he is the Chairman of the Audit Committee and a member of the Chairman's and Governance Committee and the Risk Committee. Expiration of Term of Office/ Re-election: Annual General Meeting 2012.
		CEO of Resolution Operations LLP since 2008. Former CEO of the UK Financial Services Authority (FSA) from 2003 to 2007. Member of the board of directors of Lucida Plc, UK, Friends Provident Holdings and Friends Provident Plc. He is also a member of the Advisory Board of Corsair Capital, a private equity investment company.
Peter F. Weibel	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Member of the Board and the Audit Committee since 2004. From 2004 until the Annual General Meeting 2011, he was Chairman of the Audit Committee and a member of the Chairman's and Governance Committee. Expiration of Term of Office/Re-election: Annual General Meeting 2012.
		Former Chief Executive Officer of PricewaterhouseCoopers AG until 2003.
Honorary Chairman of the Board of CSG Rainer E. Gut	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Honorary Chairman of the Board of Credit Suisse Group AG since 2000. Chairman of the Board of Credit Suisse Group AG from 1986 to 2000.

The Board consists solely of Directors who have no executive functions within the Group. As of 31 December 2011, all but two members of the Board were independent.

Executive Board of CSG

The Executive Board is responsible for the day-to-day operational management of Credit Suisse Group AG. It develops and implements the strategic business plans for the Group overall as well as for the principal businesses subject to approval by the Board of Directors. It further reviews and coordinates significant initiatives, projects and business developments in the divisions and regions or in the Shared Services functions and establishes Group-wide policies.

As of the date of this Prospectus, the members of the Executive Board were:

- Brady W. Dougan (Chief Executive Officer)
- Osama S. Abbasi
- Walter Berchtold
- Romeo Cerutti

- Tobias Guldemann
- Fawzi Kyriakos-Saad
- Karl Landert
- David R. Mathers
- Hans-Ulrich Meister
- Antonio C. Quintella
- Robert S. Shafir
- Pamela A. Thomas-Graham
- Eric M. Varvel

Information concerning each of the members of the Executive Board is set out below:

Name	Business address	Position held
Brady W. Dougan	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	<p>Chief Executive Officer of CSG and CS since 2007. Prior to this he was Chief Executive Officer Investment Banking at CS and Chief Executive Officer Credit Suisse Americas.</p> <p>Chief Executive Officer Credit Suisse First Boston Division from May 2005 to year-end. Chief Executive Officer of Credit Suisse First Boston from July 2004 to May 2005. Co-President, Institutional Securities of Credit Suisse First Boston from 2002 to July 2004.</p> <p>Member of the Executive Board since 2003. Member of the Board of Directors of Humacyte Inc., a biotechnology company, since 2005.</p>
Osama S. Abbasi	Credit Suisse AG Two Exchange Square 8 Connaught Place Hong Kong People's Republic of China	<p>Chief Executive Officer Credit Suisse Asia Pacific Region. Prior to this he was head of the Equity department in Asia Pacific and a member of the Global Equity Management Committee and the Investment Banking Division Management Committee.</p> <p>Member of the Executive Board since October 2010.</p>
Walter Berchtold	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	<p>Chairman of Private Banking since 1 August 2011. Prior to this he was Chief Executive Officer Private Banking at CS since January 2006. Between May 2005 and year-end 2005, Chief Executive Officer of the Credit Suisse</p>

Name	Business address	Position held
		Division at CS. Chief Executive Officer of CS from July 2004 to May 2005.
		Chief Executive Officer of Banking at Credit Suisse Financial Services from April 2004 to July 2004. Head of Trading & Sales at Credit Suisse Financial Services from 2003 to July 2004.
		Member of the Executive Board since 2003.
Romeo Cerutti	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	General Counsel and a member of the Executive Board of CSG and CS since April 2009. General Counsel Private Banking division from 2006 to 2009. Global Co-Head Compliance Credit Suisse from 2008 to 2009.
Tobias Guldemann	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Group Chief Risk Officer since July 2004. Chief Risk Officer of CS since June 2009.
		Member of the Executive Board since 2004.
		Member of the Foundation Board of the International Financial Risk Institute and Chairman since 2010.
Fawzi Kyriakos-Saad	Credit Suisse AG One Cabot Square London E14 4QJ United Kingdom	Chief Executive Officer Credit Suisse EMEA Region since July 2010.
		Prior to this he was the CEO of Russia, the countries of the Commonwealth of Independent States and Turkey for Credit Suisse.
		Member of the Executive Board since July 2010.
Karl Landert	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Chief Information Office of Credit Suisse since 2008. Previously he was CIO Private Banking.
		Member of the Executive Board since June 2009.
David R. Mathers	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Chief Financial Officer of CSG and CS since October 2010. Prior to this he was Head of Finance and the COO for Investment Banking in New York and London from 2007 to 2010.

Name	Business address	Position held
		Member of the Executive Board since October 2010.
Hans-Ulrich Meister	Credit Suisse Group AG Paradeplatz 8 8001 Zurich Switzerland	Chief Executive Officer of Private Banking since 1 August, 2011. He has also been Chief Executive Officer Credit Suisse Switzerland and Head of Private and Business Banking Switzerland since September 2008.
		Member of the Executive Board since September 2008.
Antonio C. Quintella	Credit Suisse AG 11 Madison Avenue New York NY 10010 United States	Chief Executive Officer Credit Suisse Americas Region since July 2010. He is also Co-Head Global Emerging Markets Council. Prior to this he was named CEO of Credit Suisse Brazilian operations in 2003.
		Member of the Executive Board since July 2010.
Robert S. Shafir	Credit Suisse AG 11 Madison Avenue New York NY 10010 United States	Chief Executive Officer Asset Management since April 2008. Chief Executive Officer of the Americas Region for Credit Suisse from August 2007 to June 2010.
		Member of the Executive Board since 2007.
		Member of the Board of Directors of the Cystic Fibrosis Foundation.
Pamela A. Thomas-Graham	Credit Suisse AG 11 Madison Avenue New York NY 10010 United States	Chief Talent, Branding and Communications Officer at CS and CSG since January 2010.
		Member of the Executive Board since January 2010.
		Member of the Board of Directors of the Clorox Company.
Eric M. Varvel	Credit Suisse AG 11 Madison Avenue New York NY 10010 United States	Chief Executive Officer Investment Banking since September 2009 (acting CEO between September 2009 until July 2010). Prior to this he was CEO Credit Suisse Europe, Middle East and Africa Region.
		Member of the Executive Board since February 2008.
		He is a member of the Board of

<u>Name</u>	<u>Business address</u>	<u>Position held</u>
		Directors of the Qatar Exchange.

There are no conflicts of interest between the private interests or other duties of the Directors and members of the Executive Board listed above and their duties to CSG.

Audit Committee

The Audit Committee of CSG consists of not less than three members, all of whom must be independent pursuant to its charter. The current members are:

- John Tiner (Chairman)
- Jean Lanier
- David W. Syz
- Richard E. Thornburgh
- Peter F. Weibel

The Audit Committee has its own charter, which has been approved by the Board. In accordance with its charter, the members of the Audit Committee are subject to additional independence requirements, exceeding those that apply to other members of the Board. None of the Audit Committee members may be an affiliated person of CSG or may, directly or indirectly, accept any consulting, advisory or other compensatory fees from CSG other than their regular compensation as members of the Board and its committees. The Audit Committee charter stipulates that all Audit Committee members must be financially literate. In addition, they may not serve on the audit committee of more than two other companies, unless the Board deems that such membership would not impair their ability to serve on CSG's Audit Committee.

Corporate Governance

CSG fully adheres to the principles set out in the Swiss Code of Best Practice, including its appendix stipulating recommendations on the process for setting compensation for the Board of Directors (the “Board”) and the Executive Board. CSG also adapts its practices for developments in corporate governance principles and practices in jurisdictions outside Switzerland.

In connection with CSG’s primary listing on the SIX Swiss Exchange (SIX), it is subject to the SIX Directive on Information Relating to Corporate Governance. CSG’s shares are also listed on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADS). As a result CSG is subject to certain U.S. rules and regulations. Moreover, CSG adheres to the NYSE’s Corporate Governance Listing Standards, with a few exceptions where the rules are not applicable to foreign private issuers.

Incorporation, Legislation, Legal Form, Duration, Name, Registered Office, Headquarters

CSG was incorporated under Swiss law as a corporation (*Aktiengesellschaft*) with unlimited duration under the name “CS Holding” on 3 March 1982 in Zurich, Switzerland, and is registered with the Commercial Registrar of the Canton of Zurich under the number CH-020.3.906.075-9. As of 6 May 2008, CSG changed its name to “Credit Suisse Group AG”. Its registered and principal executive office is located at Paradeplatz 8, CH-8001, Zurich, Switzerland; its telephone number is +41 44 212 1616.

Business Purpose

Article 2 of CSG's articles of association dated as of 8 February 2012 states:

“1) The purpose of the Company is to hold direct or indirect interests in all types of businesses in Switzerland and abroad, in particular in the areas of banking, finance, asset management and insurance. The Company has the power to establish new businesses, acquire a majority or minority interest in existing businesses and provide related financing.

2) The Company has the power to acquire, mortgage and sell real estate properties, both in Switzerland and abroad.”

Dividends

The following table outlines the dividends paid by CSG for the years ended 31st December:

Dividend per ordinary share	CHF
2011 ¹	0.75
2010 ²	1.30
2009.....	2.00
2008.....	0.10
2007.....	2.50

¹ The Board of Directors will propose a distribution of CHF 0.75 per ordinary share at the annual general meeting of CSG on 27 April 2012, to be paid out of the reserves from capital contributions. Shareholders can elect to receive the dividend either as a cash payment or in the form of Credit Suisse Group shares.

² Paid out of reserves from capital contributions.

For further information relating to dividends, refer to “III—Treasury, Risk, Balance sheet, and Off-balance sheet—Treasury management” in the Credit Suisse Annual Report 2010.

Auditors

CSG's statutory auditors are KPMG AG, Zurich, Badenerstrasse 172, CH-8004 Zurich, Switzerland. CSG accounts as of 31 December 2010 and 2009 and for each of the years in the three-year period ended 31 December 2010 were audited by KPMG AG, Zurich, in accordance with Swiss Auditing Standards and the standards of the PCAOB (U.S.). The auditors of CSG have no interest in CSG. KPMG AG assumed audit services for CSG in the beginning of 2009, following an internal restructuring of KPMG Switzerland, pursuant to which KPMG Klynveld Peat Marwick Goerdeler SA, Zurich ceased to provide audit services to public companies. The mandate was first given to KPMG for the business year 1989/1990. The lead engagement partners are Marc Ufer, Global Lead Partner (since 2010), Simon Ryder, Group Engagement Partner (since 2010) and Philipp Rickert, Leading Bank Auditor (since 2006). In addition, CSG has mandated BDO AG, Zurich, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations. KPMG AG and BDO AG are licensed by the Federal Audit Oversight Authority, the oversight body responsible for authorisation and approval of public accountants in Switzerland.

Selected financial information relating to CSG

Credit Suisse

Results

	in / end of		% change		in / end of		% change	
	4Q11	3Q11	4Q10	QoQ	YoY	2011	2010	YoY
Statements of operations (CHF million)								
Net revenues	4,488	6,689	7,268	(33)	(38)	26,225	31,386	(16)
Provision for credit losses	97	84	(23)	15	–	187	(79)	–
Compensation and benefits	3,021	3,067	3,371	(1)	(10)	13,213	14,599	(9)
General and administrative expenses	1,879	2,209	1,743	(15)	8	7,372	7,231	2
Commission expenses	480	485	575	(1)	(17)	1,992	2,148	(7)
Total other operating expenses	2,359	2,694	2,318	(12)	2	9,364	9,379	0
Total operating expenses	5,380	5,761	5,689	(7)	(5)	22,577	23,978	(6)
Income/(loss) from continuing operations before taxes	(989)	844	1,602	–	–	3,461	7,487	(54)
Income tax expense/(benefit)	(397)	332	405	–	–	671	1,548	(57)
Income/(loss) from continuing operations	(592)	512	1,197	–	–	2,790	5,939	(53)
Income/(loss) from discontinued operations	0	0	0	–	–	0	(19)	100
Net income/(loss)	(592)	512	1,197	–	–	2,790	5,920	(53)
Net income/(loss) attributable to noncontrolling interests	45	(171)	356	–	(87)	837	822	2
Net income/(loss) attributable to shareholders	(637)	683	841	–	–	1,953	5,098	(62)
of which from continuing operations	(637)	683	841	–	–	1,953	5,117	(62)
of which from discontinued operations	0	0	0	–	–	0	(19)	100
Earnings per share (CHF)								
Basic earnings/(loss) per share from continuing operations	(0.62)	0.54	0.59	–	–	1.37	3.93	(65)
Basic earnings/(loss) per share	(0.62)	0.54	0.59	–	–	1.37	3.91	(65)
Diluted earnings/(loss) per share from continuing operations	(0.62)	0.53	0.59	–	–	1.36	3.91	(65)
Diluted earnings/(loss) per share	(0.62)	0.53	0.59	–	–	1.36	3.89	(65)
Return on equity (% , annualized)								
Return on equity attributable to shareholders	(7.7)	8.7	9.8	–	–	6.0	14.4	–
Return on tangible equity attributable to shareholders ¹	(10.4)	11.8	13.4	–	–	8.1	19.8	–
Number of employees (full-time equivalents)								
Number of employees	49,700	50,700	50,100	(2)	(1)	49,700	50,100	(1)

¹ Based on tangible shareholders' equity, a non-GAAP financial measure, which is calculated by deducting goodwill and other intangible assets from total shareholders' equity. Management believes that the return on tangible equity attributable to shareholders is meaningful as it allows consistent measurement of the performance of businesses without regard to whether the businesses were acquired.

Credit Suisse and Core Results

	Core Results			Noncontrolling interests without SEI			Credit Suisse		
in	4Q11	3Q11	4Q10	4Q11	3Q11	4Q10	4Q11	3Q11	4Q10
Statements of operations (CHF million)									
Net revenues	4,473	6,817	6,960	15	(128)	308	4,488	6,689	7,268
Provision for credit losses	97	84	(23)	0	0	0	97	84	(23)
Compensation and benefits	3,023	3,010	3,362	(2)	57	9	3,021	3,067	3,371
General and administrative expenses	1,871	2,202	1,739	8	7	4	1,879	2,209	1,743
Commission expenses	480	485	575	0	0	0	480	485	575
Total other operating expenses	2,351	2,687	2,314	8	7	4	2,359	2,694	2,318
Total operating expenses	5,374	5,697	5,676	6	64	13	5,380	5,761	5,689
Income/(loss) from continuing operations before taxes	(998)	1,036	1,307	9	(192)	295	(989)	844	1,602
Income tax expense/(benefit)	(397)	332	405	0	0	0	(397)	332	405
Net income/(loss)	(601)	704	902	9	(192)	295	(592)	512	1,197
Net income/(loss) attributable to noncontrolling interests	36	21	61	9	(192)	295	45	(171)	356
Net income/(loss) attributable to shareholders	(637)	683	841	-	-	-	(637)	683	841
Statement of operations metrics (%)									
Cost/income ratio	120.1	83.6	81.6	-	-	-	119.9	86.1	78.3
Pre-tax income margin	(22.3)	15.2	18.8	-	-	-	(22.0)	12.6	22.0
Effective tax rate	39.8	32.0	31.0	-	-	-	40.1	39.3	25.3
Net income margin ¹	(14.2)	10.0	12.1	-	-	-	(14.2)	10.2	11.6

¹ Based on amounts attributable to shareholders.

Core Results

	in / end of			% change		in / end of		
	4Q11	3Q11	4Q10	QoQ	YoY	2011	2010	YoY
Statements of operations (CHF million)								
Net interest income	1,661	1,634	1,670	2	(1)	6,405	6,474	(1)
Commissions and fees	2,765	3,071	3,836	(10)	(28)	12,984	14,131	(8)
Trading revenues	(36)	1,826	1,308	–	–	4,921	9,328	(47)
Other revenues	83	286	146	(71)	(43)	1,119	692	62
Net revenues	4,473	6,817	6,960	(34)	(36)	25,429	30,625	(17)
Provision for credit losses	97	84	(23)	15	–	187	(79)	–
Compensation and benefits	3,023	3,010	3,362	0	(10)	13,151	14,562	(10)
General and administrative expenses	1,871	2,202	1,739	(15)	8	7,350	7,194	2
Commission expenses	480	485	575	(1)	(17)	1,992	2,148	(7)
Total other operating expenses	2,351	2,687	2,314	(13)	2	9,342	9,342	0
Total operating expenses	5,374	5,697	5,676	(6)	(5)	22,493	23,904	(6)
Income/(loss) from continuing operations before taxes	(998)	1,036	1,307	–	–	2,749	6,800	(60)
Income tax expense/(benefit)	(397)	332	405	–	–	671	1,548	(57)
Income/(loss) from continuing operations	(601)	704	902	–	–	2,078	5,252	(60)
Income/(loss) from discontinued operations	0	0	0	–	–	0	(19)	100
Net income/(loss)	(601)	704	902	–	–	2,078	5,233	(60)
Net income attributable to noncontrolling interests	36	21	61	71	(41)	125	135	(7)
Net income/(loss) attributable to shareholders	(637)	683	841	–	–	1,953	5,098	(62)
of which from continuing operations	(637)	683	841	–	–	1,953	5,117	(62)
of which from discontinued operations	0	0	0	–	–	0	(19)	100
Statement of operations metrics (%)								
Cost/income ratio	120.1	83.6	81.6	–	–	88.5	78.1	–
Pre-tax income margin	(22.3)	15.2	18.8	–	–	10.8	22.2	–
Effective tax rate	39.8	32.0	31.0	–	–	24.4	22.8	–
Net income margin ¹	(14.2)	10.0	12.1	–	–	7.7	16.6	–
Number of employees (full-time equivalents)								
Number of employees	49,700	50,700	50,100	(2)	(1)	49,700	50,100	(1)

¹ Based on amounts attributable to shareholders.

Core Results reporting by division

	in			% change		in		
	4Q11	3Q11	4Q10	QoQ	YoY	2011	2010	YoY
Net revenues (CHF million)								
Wealth Management Clients	2,119	2,148	2,464	(1)	(14)	9,030	9,829	(8)
Corporate & Institutional Clients	455	462	450	(2)	1	1,847	1,802	2
Private Banking	2,574	2,610	2,914	(1)	(12)	10,877	11,631	(6)
Investment Banking	1,251	2,494	3,478	(50)	(64)	11,496	16,214	(29)
Asset Management	455	471	617	(3)	(26)	2,146	2,332	(8)
Corporate Center	193	1,242	(49)	(84)	–	910	448	103
Net revenues	4,473	6,817	6,960	(34)	(36)	25,429	30,625	(17)
Provision for credit losses (CHF million)								
Wealth Management Clients	43	20	14	115	207	83	70	19
Corporate & Institutional Clients	32	5	(10)	–	–	27	(52)	–
Private Banking	75	25	4	200	–	110	18	–
Investment Banking	22	59	(27)	(63)	–	77	(97)	–
Provision for credit losses	97	84	(23)	15	–	187	(79)	–
Total operating expenses (CHF million)								
Wealth Management Clients	1,792	2,162	1,844	(17)	(3)	7,479	7,231	3
Corporate & Institutional Clients	240	240	242	0	(1)	940	956	(2)
Private Banking	2,032	2,402	2,086	(15)	(3)	8,419	8,187	3
Investment Banking	2,534	2,625	2,947	(3)	(14)	11,340	12,780	(11)
Asset Management	368	379	437	(3)	(16)	1,593	1,829	(13)
Corporate Center	440	291	206	51	114	1,141	1,108	3
Total operating expenses	5,374	5,697	5,676	(6)	(5)	22,493	23,904	(6)
Income/(loss) from continuing operations before taxes (CHF million)								
Wealth Management Clients	284	(34)	606	–	(53)	1,468	2,528	(42)
Corporate & Institutional Clients	183	217	218	(16)	(16)	880	898	(2)
Private Banking	467	183	824	155	(43)	2,348	3,426	(31)
Investment Banking	(1,305)	(190)	558	–	–	79	3,531	(98)
Asset Management	87	92	180	(5)	(52)	553	503	10
Corporate Center	(247)	951	(255)	–	(3)	(231)	(660)	(65)
Income/(loss) from continuing operations before taxes	(998)	1,036	1,307	–	–	2,749	6,800	(60)

Core Results reporting by region

	in			% change		in		
	4Q11	3Q11	4Q10	QoQ	YoY	2011	2010	YoY
Net revenues (CHF million)								
Switzerland	1,865	1,989	2,030	(6)	(8)	8,130	8,416	(3)
EMEA	1,175	1,725	1,507	(32)	(22)	6,474	7,145	(9)
Americas	793	1,211	2,688	(35)	(70)	7,304	11,558	(37)
Asia Pacific	447	650	784	(31)	(43)	2,611	3,058	(15)
Corporate Center	193	1,242	(49)	(84)	–	910	448	103
Net revenues	4,473	6,817	6,960	(34)	(36)	25,429	30,625	(17)
Income/(loss) from continuing operations before taxes (CHF million)								
Switzerland	422	627	653	(33)	(35)	2,518	2,913	(14)
EMEA	(200)	99	(219)	–	(9)	293	417	(30)
Americas	(794)	(668)	1,038	19	–	124	3,762	(97)
Asia Pacific	(179)	27	90	–	–	45	368	(88)
Corporate Center	(247)	951	(255)	–	(3)	(231)	(660)	(65)
Income/(loss) from continuing operations before taxes	(998)	1,036	1,307	–	–	2,749	6,800	(60)

A significant portion of our business requires inter-regional coordination in order to facilitate the needs of our clients. The methodology for allocating our results by region is dependent on management judgment. For Private Banking, results are allocated based on the management reporting structure of our relationship managers and the region where the transaction is recorded. For Investment Banking, trading results are allocated based on where the risk is primarily managed and fee-based results are allocated where the client is domiciled. For Asset Management, results are allocated based on the location of the investment advisors and sales teams.

Capital adequacy

The following table sets forth the details for CSG of BIS data (risk-weighted assets, capital and ratios):

	Basel II.5	Basel II	Basel II
31 December (CHF million, except where indicated)	2011	2011	2010
Credit risk.....	157,237	155,352	158,735
Non-counterparty risk	7,819	7,819	7,380
Market risk	40,609	11,170	18,925
Operational risk	36,088	36,088	33,662
Risk-weighted assets	241,753	210,429	218,702
Eligible capital			
Total shareholders' equity	33,674	33,674	33,282
Goodwill and intangible assets	(8,876)	(8,876)	(9,320)
Qualifying non-controlling interests.....	3,365	3,365	3,350
Capital deductions 50% from tier 1	(2,274)	(1,089)	(1,088)
Other adjustments.....	67	67	403
Core tier 1 capital	25,956	27,141	26,627
Hybrid instruments	10,888	10,888	11,098
Tier 1 capital	36,844	38,029	37,725
Tier 2 capital:			
Upper tier 2	1,841	1,841	1,128
Lower tier 2	12,243	12,243	10,034
Capital deductions 50% from tier 2	(2,274)	(1,089)	(1,088)
Tier 2 capital	11,810	12,995	10,074
Total eligible capital	48,654	51,024	47,799
Core tier 1 ratio	10.7	12.9	12.2
Tier 1 ratio	15.2	18.1	17.2
Total capital ratio	20.1	24.2	21.9

Share Capital

As of 8 February 2012, CSG had fully paid and issued share capital of CHF 48,973,322.48, comprised of 1,224,333,062 registered shares with a nominal value of CHF 0.04 each. The Board of Directors of CSG is authorised, at any time until 29 April 2013, to increase the share capital of CSG by a maximum of CHF 4,000,000 through the issuance of a maximum of 100,000,000 registered shares, to be fully paid up, with a par value of CHF 0.04. Additionally as of 8 February 2012, CSG had conditional share capital in the amount of CHF 21,752,039.08, comprised of 543,800,977 registered shares with a nominal value of CHF 0.04 each. Conditional share capital consists of: (i) pursuant to Art. 26 of the CSG's articles of association conditional share capital in the amount of CHF 19,340,245.08 through the issue of a maximum of 483,506,127 registered shares with a par value of CHF 0.04 is reserved for the purpose of increasing share capital through the

conversion of bonds or other financial market instruments of CSG, or any of its group companies, that allow for contingent compulsory conversion into the CSG's shares and that are issued in order to fulfil or maintain compliance with regulatory requirements of the CSG and/or any of its group companies (contingent convertible bonds). Moreover, up to CHF 4,000,000 of the conditional capital pursuant to Art. 26 of the CSG's articles of association shall also be available for share capital increases executed through the voluntary or compulsory exercise of conversion rights and/or warrants granted in connection with bonds or other financial market instruments of CSG or any of its group companies (equity-related financial market instruments). Furthermore, our conditional share capital includes (ii) CHF 2,411,794.00 through the issue of a maximum of 60,294,850 registered shares with a par value of CHF 0.04 reserved for employees

As of 31 December 2011, CSG, together with its subsidiaries, held 4,010,084 of its own shares, representing 0.3 per cent. of its outstanding shares.

Legal Proceedings

CSG is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses.

For more information about CSG'S legal proceedings and provisions refer to “Consolidated financial statements – Credit Suisse Group – Note 37 – Litigation” in the Credit Suisse Annual Report 2010, and “Condensed consolidated financial statements – unaudited – Note 29 – Litigation” in each of the First Quarter Form 6-K dated 10 May 2011, the Second Quarter Form 6-K dated 9 August 2011, the Third Quarter Form 6-K dated 10 November 2011 and the Fourth Quarter Form 6-K dated 9 February 2012 incorporated by reference herein.

Additional Information about CSG

Shares of CSG

CSG is a publicly held corporation and its registered shares have been listed and traded on the SIX Swiss Exchange and as American Depositary Receipts on the NYSE.

Rights attaching to shares of CSG

Each shareholder is entitled to a proportionate share of the profit shown in the balance sheet to the extent it is to be distributed to the shareholders in accordance with the law and the articles of association of CSG. Upon a dissolution of CSG, the shareholder is entitled to a proportionate share of the liquidation proceeds to the extent the articles of association of CSG do not provide for another use of the net assets of the dissolved company. Preferential rights provided for by the articles of association of CSG for individual classes of shares remain reserved. Unless otherwise provided by the articles of association, the shares of profits and proceeds of liquidation shall be calculated in proportion to the amounts paid in on the share capital.

Voting rights and transfer of shares

Each share of CSG represents one vote at the annual general meeting of shareholders of CSG (the “AGM”). Shares held by the Group have no voting rights. Shares for which a single shareholder or shareholder group can exercise voting rights may not exceed 2 per cent. of the total outstanding share capital, save that these restrictions on voting rights do not apply to:

- (i) the exercise of voting rights by the Group proxy or by the independent proxy as designated by the Group or by persons acting as proxies for deposited shares;

- (ii) shares in respect of which the shareholder confirms to the Group that the shareholder has acquired the shares in the shareholder's name for the shareholder's own account and in respect of which the disclosure requirements in accordance with the SESTA and the relevant ordinances and regulations have been fulfilled; or
- (iii) shares that are registered in the name of a nominee, provided that this nominee (a) is willing to furnish the Group on request with the name, address and shareholding of the person(s) for whose account the nominee holds 0.5 per cent. or more of the total share capital, and (b) confirms to the Group that any applicable disclosure requirements under the SESTA have been fulfilled.

In order to execute voting rights, shares need to be registered in the share register directly or in the name of a nominee. In order to be registered in the share register, the purchaser must file a share registration form. The registration of shares in the share register may be requested at any time. Failing such registration, the purchaser may not vote or participate in shareholders' meetings. However, each shareholder, whether registered in the share register or not, receives dividends or other distributions approved at the AGM. The transfer restrictions apply regardless of the way and the form in which the registered shares are kept in the accounts, and regardless of the provisions applicable to transfers. The transfer of intermediated securities based on CSG's shares, and the pledging of these intermediated securities as collateral, is based on the provisions of the Swiss Federal Intermediated Securities Act. Transfer or pledging as collateral by means of written assignment is not permitted.

Annual General Meeting

Shares only qualify for voting at an AGM if entered in the share register with voting rights no later than three days prior to an AGM.

The AGM is convened by the Board or, if necessary, by the statutory auditors, with 20 days' prior notice. The Board is further required to convene an extraordinary shareholders' meeting if so resolved at a shareholders' meeting or if so requested by shareholders holding in aggregate at least 10 per cent. of the nominal share capital. The request to call an extraordinary shareholders' meeting must be submitted in writing to the Board, and, at the same time, Group shares representing at least 10 per cent. of the nominal share capital must be deposited for safekeeping. The shares remain in safekeeping until the day after the extraordinary shareholders' meeting.

Shareholders holding shares with an aggregate nominal value of at least CHF 40,000 have the right to request that a specific item be put on the agenda and voted upon at the next AGM. The request to include a particular item on the agenda, together with a relevant proposal, must be submitted in writing to the Board no later than 45 days before the meeting and, at the same time, Group shares with an aggregate nominal value of at least CHF 40,000 must be deposited for safekeeping. The shares remain in safekeeping until the day after the AGM.

Shareholders' resolutions that require the approval of a majority of the votes represented at the meeting include (i) amendments to the articles of association of CSG, unless a supermajority is required, (ii) election of directors and statutory auditors, (iii) approval of the annual report and the statutory and consolidated accounts; and (iv) determination of the allocation of the distributable profit.

A quorum of at least half of the share capital and approval by two thirds of the votes represented is required for resolutions on (i) change of the purpose of the company, (ii) creation of shares with increased voting powers, (iii) implementation of transfer restrictions on shares, (iv) authorised or conditional increase in the share capital, (v) increase of capital by way of conversion of capital surplus or by contribution in kind, (vi) restriction or suspension of preferential rights (pre-emptive subscription), (vii) change of location of the principal office, and (viii) dissolution of the company without liquidation.

A quorum of at least half of the share capital and approval by at least three quarters of the votes cast is required for resolutions on (i) the conversion of registered shares into bearer shares, (ii) amendments to the provision of the AoA relating to registration and voting rights of nominee holders, and (iii) the dissolution of the company.

A quorum of at least half of the share capital and the approval of at least seven eighths of the votes cast is required for amendments to provisions of the articles of association of CSG relating to voting rights.

Any share issue by CSG, whether for cash or non-cash consideration, is subject to the prior approval of the shareholders. Shareholders of CSG have certain pre-emptive subscription rights to subscribe for new issues of shares in proportion to the nominal amount of shares held. A resolution adopted at a shareholders' meeting with a supermajority may, however, limit or suspend pre-emptive subscription rights in certain limited circumstances.

Subsidiaries of CSG

CSG owns 100 per cent. of the Issuer. For further information on CSG's subsidiaries, see note 38 of the Notes to CSG's consolidated financial statements in the Credit Suisse Annual Report 2010.

Financial statements

CSG prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). CSG does not prepare its accounts in accordance with IFRS.

For further information about CSG, refer to the Credit Suisse Annual Report 2010 and the quarterly reports published in 2011 and 2012 incorporated by reference in this Prospectus. See "Documents Incorporated by Reference".

Publication

Pursuant to CSG's articles of association the Swiss Commercial Gazette (*Schweizerisches Handelsamtsblatt*) shall be the official medium for publication of CSG's notices and announcements; and notices and announcements to the shareholders shall be made in the Swiss Commercial Gazette, insofar as the law does not prescribe some other manner of publication.

CSG's Most Recent Business Performance

Information on CSG's most recent business performance since 31 December 2010 can be found in the documents referred to in the section "Documents incorporated by Reference" of this Prospectus.

TAXATION

General

The discussion of taxation under the headings “Guernsey” and “Switzerland” in this section is only an indication of certain tax implications currently in force under the laws of those jurisdictions as they may affect investors. It applies only to persons who are beneficial owners of the Tier 2 BCNs and may not apply to certain classes of person. The summary contains general information only; it is not exhaustive and does not constitute legal or tax advice and is based on taxation law and practice at the date of this Prospectus. Potential investors should be aware that tax law and interpretation, as well as the level and bases of taxation, may change from those described and that changes may alter the benefits of investment in, holding or disposing of, Tier 2 BCNs. The Issuer and the Guarantor make no representations as to the completeness of the information nor undertake any liability of whatsoever nature for the tax implications for investors. Potential investors are strongly advised to consult their own professional advisers on the implications of making an investment in, holding or disposing of, Tier 2 BCNs under the laws of the countries in which they are liable to taxation and in light of their particular circumstances.

Guernsey

Holders who are resident for tax purposes in Guernsey, Alderney or Herm will be liable to income tax in Guernsey at the appropriate rate on income arising from their holding of Tier 2 BCNs. However, any tax payable will not be collected by way of deduction or withholding from any payments made to them of such income.

Holders resident outside of Guernsey, Alderney or Herm will not be subject to any tax in Guernsey in respect of any payments to them in respect of the Tier 2 BCNs, provided such payments are not taken into account in computing the profits of any permanent establishment situate in Guernsey through which such Holder carries on a business in Guernsey.

Guernsey currently does not levy taxes upon capital inheritance, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business). Nor are there any estate duties (save for registration fees and ad valorem duty payable upon an application for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey, which require presentation of such a Grant). No duty will be chargeable in Guernsey on the issue, transfer or redemption of Tier 2 BCNs.

Switzerland

Taxation of Tier 2 BCNs

(i) In General

A Holder who is not a resident of Switzerland and who during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to Swiss taxation for any other reason will be exempt from any Swiss income tax in respect of periodic interest or pro-rata-discount as well as capital gains realised on sale, conversion or redemption of Tier 2 BCNs.

For Swiss resident Holders and foreign resident Holders who hold Tier 2 BCNs through a permanent establishment or a fixed place of business in Switzerland the tax consequences are therefore generally as follows:

(ii) *Swiss Withholding Tax on Tier 2 BCNs*

Payments of periodic interest in respect of Tier 2 BCNs by the Issuer will not be subject to Swiss withholding tax (*Verrechnungssteuer*). Payment of interest by CSG in respect of the Tier 2 BCNs before conversion will be subject to Swiss withholding tax at the rate of 35 per cent. and the Guarantor will be required to withhold tax at such rate from any payments of interest under Tier 2 BCNs.

On 24 August 2011, the Swiss Federal Council issued a draft legislation which, if enacted, may require a paying agent in Switzerland to deduct Swiss withholding tax at a rate of 35 per cent. on any payment of interest (i) in respect of a debt security issued by a non-Swiss issuer directly (or in certain cases indirectly) to an individual resident in Switzerland or (ii) in respect of a debt security issued by a Swiss issuer directly (or in certain cases indirectly) to an individual resident in Switzerland or to a person resident outside of Switzerland unless certain requirements are met. If this legislation or similar legislation were enacted and an amount of, or in respect of, Swiss withholding tax were to be deducted or withheld from that payment, it is possible that neither the Issuer nor the Guarantor nor any paying agent nor any other person would pursuant to the terms of the Tier 2 BCNs be obliged to pay any Additional Amounts with respect to any debt security as a result of the deduction or imposition of such withholding tax.

(iii) *Swiss Income Tax*

(a) *Interest Payments*

For purposes of Swiss income tax for Swiss resident individuals holding Tier 2 BCNs as part of their private assets, each coupon payment has to be split into (i) an interest payment component and (ii) an option premium component. Swiss resident individuals holding Tier 2 BCNs as part of their private assets will be subject to Swiss federal income tax (*Direkte Bundessteuer*) on the interest payment component. The option premium component represents tax-free capital gain for Swiss resident individuals holding Tier 2 BCNs as part of their private assets. The option premium component of the entire coupon payment is 2.500%. The taxable interest component is the difference between coupon payment and option premium component and, therefore initially amounts to 4.625% and will have to be recalculated after reset of the interest rate.

Foreign residents who hold Tier 2 BCNs through a permanent establishment or a fixed place of business in Switzerland and Swiss residents who hold Tier 2 BCNs as part of their business assets will be subject to Swiss federal income tax in respect of periodic interest payments received as well as any other income from the Tier 2 BCNs upon redemption or conversion reflected in their income statement.

The above rules regarding Swiss federal income tax normally also apply to Swiss cantonal/municipal income taxes.

(b) *Capital Gains Realised upon Sale of Tier 2 BCNs*

Swiss resident individuals holding Tier 2 BCNs as part of their private assets will be generally exempt from Swiss federal income tax in respect of capital gains realised upon sale of Tier 2 BCNs, except if they are considered as professional securities dealers for Swiss tax purposes (*gewerbsmässiger Wertschriftenhändler*).

Holders (individuals and legal entities) holding Tier 2 BCNs as part of their business assets will be subject to Swiss federal income tax on capital gains.

The above rules regarding Swiss federal income tax normally also apply to Swiss cantonal/municipal income taxes.

(c) Capital Gains upon Conversion of Tier 2 BCNs

Swiss resident individuals holding Tier 2 BCNs as part of their private assets will be generally exempt from Swiss federal income tax in respect of the capital gains resulting from an increase in value of the shares upon conversion, except if they are considered as professional securities dealers for Swiss tax purposes.

Holders (individuals and legal entities) holding Tier 2 BCNs as part of their business assets will be subject to Swiss federal income tax on capital gains.

The above rules regarding Swiss federal income tax normally also apply to Swiss cantonal/municipal income taxes.

Taxation of the Shares

(i) *Swiss Withholding Tax on the Shares*

Under current Swiss law, any dividends paid and similar cash or in-kind distributions made on the shares (including bonus shares and dividends on liquidation proceeds exceeding the nominal value of the shares and, if certain conditions are met, the capital contributions paid on the shares) will be subject to Swiss withholding tax at a rate of 35 per cent. and the Guarantor will be required to withhold tax at such rate from any distribution made to a shareholder. Any repayment of the nominal value of the shares and, if certain conditions are met, any distribution out of capital contribution reserves are tax exempt.

(a) Swiss Resident Recipients

Swiss resident individuals or legal entities incorporated in Switzerland are generally entitled to a full refund of Swiss withholding tax if they are the beneficial owner of the shares at the time the distribution is due and duly report the gross distribution received on their personal income tax return or, in case of a legal entity, include the taxable profit in the income statement.

(b) Non-Swiss Resident Recipients

The recipient of a taxable distribution from the Guarantor who is an individual or a legal entity not resident in Switzerland for tax purposes may be entitled to a full or partial refund of Swiss withholding tax if the country in which such recipient resides for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and if the further prerequisites of such treaty are met. Shareholders not resident in Switzerland should be aware that the procedures for claiming treaty benefits (and the time required for obtaining a refund) may differ from country to country. Shareholders not resident in Switzerland should consult their own legal, financial or tax advisors regarding receipt, ownership, purchases, sale or other dispositions of Shares and the procedures for claiming a refund of Swiss withholding tax.

Furthermore, in case of a repurchase of own shares by the Guarantor, the portion of the repurchase price which exceeds the nominal value of the Shares and the tax-free capital contribution reserves of the Guarantor, may, in some cases, be re-characterised as taxable liquidation which is subject to the 35 per cent. Swiss withholding tax if certain conditions are met.

(ii) *Swiss Income Tax on the Shares*

A holder of shares who is not a resident of Switzerland and who during the taxable year has not engaged in trade or business through a permanent establishment or a fixed place of business within Switzerland and who is not subject to taxation for any other reason will be exempt from any Swiss income tax in respect of dividends received as well as capital gains realised on disposal of the shares.

For Swiss resident shareholders and foreign resident shareholders who hold shares through a permanent establishment or a fixed place of business in Switzerland the tax consequences are as follows:

(a) Dividend Payments

Swiss resident shareholders and foreign resident shareholders who hold shares through a permanent establishment or a fixed place of business in Switzerland will be generally subject to Swiss federal income tax in respect of dividend payments received in respect of the shares. Corporations and co-operative societies may apply under certain conditions for participation exemption.

The above rules regarding Swiss federal income tax normally also apply to Swiss cantonal/municipal income taxes.

(b) Capital Gains Realised upon Disposal of Shares

Swiss resident individuals who are holding shares as part of their private assets will be generally exempt from Swiss federal income tax on gains realised through a disposal of shares. However, in case of a repurchase of own shares by the Guarantor, the portion of the repurchase price, which exceeds the nominal value of the shares and the tax-free capital contribution reserves of the Guarantor may, in some cases, be re-characterised as taxable liquidation dividend income if certain conditions are met. Furthermore, income tax consequences may result for private investors considered as professional securities dealers (*gewerbsmässige Wertschriftenhändler*).

Foreign resident shareholders who hold shares through a permanent establishment or a fixed place of business in Switzerland and Swiss resident shareholders who hold shares as part of their business assets will be generally subject to Swiss federal income tax in respect of any capital gains realised in respect of the shares. Corporations and co-operative societies may apply under certain conditions for the participation exemption.

The above rules regarding Swiss federal income tax normally also apply to Swiss cantonal/municipal income taxes.

(c) Stamp Duties

The issuance of Tier 2 BCNs is not subject to Swiss issue stamp duty (*Emissionsabgabe*). The Transfer of Tier 2 BCNs, either in the context of the conversion of Tier 2 BCNs or in the context of secondary market transactions on Tier 2 BCNs, as well as the transfer of shares may be subject to Swiss transfer stamp duty (*Umsatzabgabe*) at a rate of up to 0.3 per cent. if such transfer or sale is made by or through the intermediary of a securities dealer resident in Switzerland or Liechtenstein, as defined in the Swiss Federal Law on Stamp Duty, and unless an exemption applies. Swiss issue stamp duty imposed in connection with the conversion of Tier 2 BCNs, if any, will be borne by CSG.

EU Savings Directive and associated arrangements with Switzerland and Guernsey

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “EU Savings Tax Directive”), Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless

during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland and Guernsey, agreed to adopt similar measures (a withholding system in the case of both Switzerland and Guernsey).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

On 26 October 2004, the European Community and Switzerland entered into an agreement (the "Swiss Savings Tax Agreement") on the taxation of savings income by way of a withholding tax system and voluntary declaration in the case of transactions between parties in the EU Member States and Switzerland.

On the basis of such agreement, Switzerland has introduced a withholding tax on interest payments or other similar income paid by any paying agent within Switzerland to EU resident individuals as at 1 July 2005. The withholding tax is to be withheld at a rate of 35 per cent. The beneficial owner of the interest payments may be entitled to a tax credit or refund of the withholding if certain conditions are met.

Since 1 July 2005, Guernsey and the EU Member States entered into agreements (the "Guernsey Savings Tax Agreements") on the taxation of savings income. On the basis of such agreements, Guernsey introduced a system whereby withholding tax (called retention tax) was levied on interest payments or other similar income paid by a paying agent within Guernsey to individuals resident in the contracting EU Member States on or after 1 July 2005.

On 24 November 2010, Guernsey approved proposals to move to automatic exchange of information in relation to such interest payments. From 1 July 2011 paying agents in Guernsey must not deduct retention tax but must report any such interest payment made to the Director of Income Tax in Guernsey.

The European Commission has recently adopted a proposal to amend the EU Savings Tax Directive, with a view to closing existing loopholes and eliminating tax evasion. These changes broadly relate to the scope of, and mechanisms implemented by, the EU Savings Tax Directive. If these changes are implemented, the position of Holders in relation to the EU Savings Tax Directive could be different to that set out above. In addition, the Swiss and Guernsey Savings Tax Agreements may be subject to change in order to conform to the amended EU Savings Tax Directive.

Prospective purchasers of these Tier 2 BCNs should consult their advisors concerning the impact of the EU Savings Tax Directive, the Swiss Savings Tax Agreement, the Guernsey Savings Tax Agreements or any law or other governmental regulation implementing or complying with, or introduced in order to conform to, such Directive or agreements. Notwithstanding the above, for the avoidance of doubt, should the Issuer, any Swiss paying agent, any Guernsey paying agent or any institution where the Tier 2 BCNs are deposited be required to withhold any amount as a direct or indirect consequence of the EU Savings Tax Directive, then, there is no requirement for the Issuer (or the Guarantor, as the case may be) to pay any additional amounts pursuant to Condition 10 (or Section 4 of the Guarantee, as the case may be) relating to such withholding.

SUBSCRIPTION AND SALE

Credit Suisse AG (the “Lead Manager”) and Bank Julius Baer & Co. Ltd., Bank Sarasin & Co. Ltd, Bank Vontobel AG, Lombard Odier & Cie, Raiffeisen Schweiz Genossenschaft, Zurich Cantonalbank (together with the Lead Manager, the “Managers”) have, pursuant to a Purchase Agreement dated 20 March 2012, agreed with the Issuer and the Guarantor (the “Purchase Agreement”), subject to the satisfaction of certain conditions, to subscribe the Tier 2 BCNs at 101.000 per cent. of their principal amount plus accrued interest, if any. The Issuer has agreed to pay to the Lead Manager a combined management and underwriting commission of 3.000 per cent. of such principal amount. In addition, the Issuer has agreed to reimburse the Lead Manager for certain of its expenses in connection with the issue of the Tier 2 BCNs.

The Tier 2 BCN's have been fully subscribed by the Managers and (with the exception of any Tier 2 BCNs which the Managers decide to hold for their own accounts) will be sold to investors by 22 March 2012. Pursuant to the terms and conditions of the Purchase Agreement, each Manager has agreed, severally and not jointly, to purchase, and the Issuer has agreed to sell to the Managers, Tier 2 BCNs in the aggregate Principal Amount of CHF 750,000,000 divided between them as follows:

<u>Managers</u>	<u>Seat and Business Address</u>	<u>Principal Amount in CHF</u>	<u>Percentage of aggregate Principal Amount</u>
Credit Suisse AG	Paradeplatz 8 CH - 8001 Zurich	720,000,000	96%
Bank Julius Baer & Co. Ltd.	Bahnhofstrasse 36 CH-8001 Zurich	5,000,000	0.66%
Bank Sarasin & Co. Ltd.	Elisabethenstrasse 62 CH-4002 Basel	5,000,000	0.66%
Bank Vontobel AG	Bahnhofstrasse 3 CH-8001 Zurich	5,000,000	0.66%
Lombard Odier & Cie	11, Rue de la Corraterie CH-1204 Geneva	5,000,000	0.66%
Raiffeisen Schweiz Genossenschaft	Raiffeisenplatz 4 CH-9001 St. Gallen	5,000,000	0.66%
Zurich Cantonalbank	Bahnhofstrasse 9 CH-8001 Zurich	5,000,000	0.66%
Total		750,000,000	100%

The Managers’ portion of voting rights in the Guarantor would be 3.06 per cent. of the total share capital of the Guarantor as set out in the commercial register of the Canton of Zurich, if the Tier 2 BCNs were to become subject to Conversion at the Floor Price at the date hereof. This calculation is included herein to satisfy certain Swiss law disclosure requirements which have arisen as a result of the subscription by the Managers of the Tier 2 BCNs and the Conversion features contained within the Tier 2 BCNs. The actual number of Ordinary Shares delivered to investors in case of Conversion will be determined in accordance with the Terms and Conditions of the BCNs, in particular Condition 7.

The Purchase Agreement provides for the undertaking of each Manager to offer the Tier 2 BCN's for subscription by prospective investors.

The Purchase Agreement provides that the Managers’ obligations are subject to certain conditions precedent. The Purchase Agreement also entitles the Managers to terminate the Purchase Agreement in certain circumstances prior to payment being made to the Issuer. If the right to terminate the Purchase Agreement is exercised by the Managers, any previous purported purchase or subscription of the Tier 2 BCNs will be deemed not to have been made.

As is more fully set out in the Purchase Agreement, each of the Issuer and the Guarantor has agreed to indemnify the Managers for, *inter alia*, losses as a result of breaches of certain representations and undertakings made by the Issuer and the Guarantor, respectively.

General

Neither the Issuer nor the Guarantor nor any Manager has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer or the Guarantor that would permit a public offering of the Tier 2 BCNs, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Tier 2 BCNs (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Tier 2 BCNs or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or the Guarantor in any such jurisdiction as a result of any of the foregoing actions.

United States

The Tier 2 BCNs and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Manager has represented and agreed that, except as permitted by the Purchase Agreement, it has not offered or sold and will not offer or sell the Tier 2 BCNs or the Guarantee (i) as part of its distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tier 2 BCNs as determined, and certified to the Issuer, by the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Tier 2 BCNs during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Tier 2 BCNs within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Tier 2 BCNs within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Tier 2 BCNs which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Tier 2 BCNs to the public in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined

in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers; or

- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Tier 2 BCNs shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Tier 2 BCNs to the public” in relation to any Tier 2 BCNs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Tier 2 BCNs to be offered so as to enable an investor to decide to purchase or subscribe the Tier 2 BCNs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of the Tier 2 BCNs in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Tier 2 BCNs in, from or otherwise involving the United Kingdom.

Japan

The Tier 2 BCNs have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Tier 2 BCNs in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Guernsey

Each Manager has represented and agreed, that it has not offered or sold and will not offer or sell, at any time, any Tier 2 BCNs to any person resident for the purposes of the Income Tax (Guernsey) Law 1975 in the Islands of Guernsey, Alderney or Herm.

Singapore

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Tier 2 BCNs or caused the Tier 2 BCNs to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Tier 2 BCNs or cause the Tier 2 BCNs to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Tier 2 BCNs, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Tier 2 BCNs may not be circulated or distributed, nor may any of the Tier 2 BCNs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Tier 2 BCNs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities as defined in Section 239 (1) of the SFA of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Tier 2 BCNs pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

Hong Kong

Each Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Tier 2 BCNs other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances

which do not result in the document being a ‘prospectus’ as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Tier 2 BCNs, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Tier 2 BCNs which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Republic of China

Each Manager has represented and agreed that the Tier 2 BCNs are not being offered or sold and may not be offered or sold, directly or indirectly, in the Republic of China (for such purposes, “Republic of China” shall include Taiwan and other areas under the effective control of the Republic of China), except as permitted by the securities laws of the Republic of China.

People’s Republic of China

Each Manager has represented and agreed that the Tier 2 BCNs are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China except as permitted by the securities laws of the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan).

Republic of Italy

The offering of the Tier 2 BCNs has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, each Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Tier 2 BCNs or any copy of this Prospectus or any other offer document in the Republic of Italy (“Italy”) except:

- (a) to qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “Consolidated Financial Services Act”) and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the “CONSOB Regulation”), all as amended; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Art. 100 the Consolidated Financial Services Act and Art. 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Tier 2 BCNs or distribution of copies of this Prospectus or any other document relating to the Tier 2 BCNs in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “Banking Act”), CONSOB Regulation No. 16190 of 29 October 2007, all as amended;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and

- (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

Any investor purchasing the Tier 2 BCNs in this offering is solely responsible for ensuring that any offer or resale of the Tier 2 BCNs it purchases in this offering occurs in compliance with applicable laws and regulations.

Article 100-*bis* of the Consolidated Financial Services Act affects the transferability of the Tier 2 BCNs in Italy to the extent that any placing of the Tier 2 BCNs is made solely with qualified investors and such Tier 2 BCNs are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of Tier 2 BCNs who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Tier 2 BCNs were purchased, unless an exemption provided for under the Consolidated Financial Services Act applies.

This Prospectus and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

France

Each Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Tier 2 BCNs to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Tier 2 BCNs and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

GENERAL INFORMATION

1 Authorisation

The issue of Tier 2 BCNs has been duly authorised by:

- (i) a resolution of the Board of Directors of the Issuer dated 9 March 2012;
- (ii) the Chief Financial Officer of the Guarantor on 15 March 2012; and
- (iii) a resolution of the Board of Directors of the Guarantor on 14 March 2012.

2 Representation

In accordance with Article 43 of the Listing Rules of the SIX Swiss Exchange, Credit Suisse AG has been appointed by the Issuer to lodge the listing application with the Regulatory Board of the SIX Swiss Exchange.

3 No Material Change

Save as disclosed in the Fourth Quarter Form 6-K dated 9 February 2012, the Form 6-K Dated 15 November 2011, the Third Quarter Form 6-K Dated 10 November 2011, the Form 6-K Dated 1 November 2011, the Form 6-K Dated 10 August 2011, the Second Quarter Form 6-K Dated 9 August 2011, the Form 6-K Dated 28 July 2011, the First Quarter Form 6-K Dated 10 May 2011, the Form 6-K Dated 4 May 2011, the Form 6-K Dated 27 April 2011 and the Form 6-K Dated 24 March 2011, there has been no material change in the assets and liabilities, financial position and profits and losses of the Guarantor since 31 December 2010.

Save as provided herein, there has been no material change in the assets and liabilities, financial position and profits and losses of the Issuer since its date of incorporation.



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