

## Reference Entity Certificate on AXA SA

### Credit risk of Reference Entity(-ies)

Final Fixing Date 20/06/2025; issued in CHF; listed on SIX Swiss Exchange AG  
ISIN CH0279928870 - Swiss Security Number 27992887 - SIX Symbol EFGHHR

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

### I. Product Description

#### Market expectation of the Investor

Price increase of the Underlying(s).  
Increasing Volatility of the Underlying(s).  
Possibility of large price decline of the Underlying(s).  
No occurrence of Credit Events and no exercise of Issuer's Termination Right.

#### Product description

The Product is linked to the creditworthiness of one or more Reference Entities and the corresponding Reference Obligations. The Products pay one or more Coupon Amount(s), as specified herein, and redeem at par on the Redemption Date, subject to the Physical Delivery Provision and unless the Issuer exercises the Issuer's Termination Right or a Credit Event in respect of at least one Reference Entity occurs during the Credit Event Observation Period. Redemption and Coupon Amount(s) in case of the exercise of the Issuer's Termination Right or the occurrence of a Credit Event are described in more detail herein.

**Investors bear the credit risk of the Reference Entity(-ies), the Reference Obligation(s) and the Issuer and the Guarantor of the Product. In case of the occurrence of a Credit Event during the Credit Event Observation Period, reduced or no accrued and no upcoming Coupons may be paid, and the aggregate amount received by the Investor may be less than the Denomination and may, in some circumstances, be zero.**

The Product is documented pursuant to the existing Programme and is in addition subject to the ISDA Definitions, as defined herein.

### Reference Entity(-ies)

(i)	Reference Entity/ Transaction Type / Seniority	Reference Obligation ISIN*	Maturity	Rating of Reference Entity at Issuance**	Weight
1	AXA SA / STANDARD EUROPEAN FINANCIAL CORPORATE / Senior	FR0011380468	15/03/2023	A2/A-/A-	100.00%

\* The Reference Obligation may be substituted regularly as described in section "Terms relating to the Reference Obligation(s)" and as illustrated in Appendix A.

\*\* These Ratings from selected rating providers are as of the Initial Fixing Date and may change during the lifetime of the Product. The Calculation Agent has obtained the Ratings from public sources and takes no responsibility for their correctness and accuracy.

Subscription End Date 19/06/2015	First Exchange Trading Date 26/06/2015	Final Fixing Date 20/06/2025	Scheduled Redemption Date 11/07/2025			

## Product Details

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Swiss Security Number	27992887
ISIN	CH0279928870
SIX Symbol	EFGHHR
Issue Price	100.00%
Issue Size	CHF 10,000,000 (can be increased at any time)
Denomination	CHF 1,000
Settlement Currency	CHF
Conditional Capital Protection	100% The Capital Protection applies only if no Credit Event occurs during the Credit Event Observation Period, the Issuer's Termination Right was not exercised and subject to the Physical Delivery Provision. <b>Otherwise the Redemption of the Product may be below the Conditional Capital Protection and may, in some circumstances, be zero.</b>

## Dates

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Subscription End Date	19/06/2015 14:00 CEST
Initial Fixing Date	19/06/2015 (or the day when the Subscription Period ends)
Issue Date	26/06/2015
First Exchange Trading Date	26/06/2015 (anticipated)
Last Trading Day/Time	20/06/2025 / Exchange market close
Final Fixing Date	20/06/2025
Redemption Date	In case no Credit Event has occurred during the Credit Event Observation Period, the earlier of: a) 11/07/2025 (" <b>Scheduled Redemption Date</b> ") b) in case of an exercise of the Issuer's Termination Right, the date specified as the Early Redemption Date in the Issuer's Termination Announcement (" <b>Early Redemption Date</b> ") In case a Credit Event has occurred during the Credit Event Observation Period, the <b>Credit Event Redemption Date</b> . Any of these dates is subject to Settlement Disruption Event provisions.
Credit Event Redemption Date	The later of: a) the Scheduled Redemption Date b) the date falling ten Business Days after the date on which the Liquidation Amount has been calculated by the Calculation Agent.

## Coupon Amount(s)

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The Investor is entitled to receive from the Issuer per Product a Cash Settlement in the Settlement Currency in accordance with the following provisions:

Coupon Amount<sub>k</sub> on Coupon Payment Date<sub>k</sub>

The Calculation Agent may postpone or suspend the payment of any amount if the Calculation Agent has determined - in its sole and absolute discretion - that a Credit Event or a potential Credit Event (such as, but not limited to, a Potential Failure to Pay) has occurred, may have occurred, or might shortly occur, or if there is a pending request with the relevant Credit Derivatives Determinations Committee (as defined in the ISDA Definitions) regarding the occurrence of a Credit Event.

Coupon Amount <sub>k</sub>	For each Coupon Payment Date k, an amount in the Settlement Currency calculated as follows and as determined by the Calculation Agent: <b>Coupon Amount<sub>k</sub> = Denomination × Coupon Rate<sub>k</sub> × Day Count Fraction<sub>k</sub> × Adjustment Factor<sub>k</sub></b>
Coupon Rate <sub>k</sub>	1.00% p.a.
Day Count Fraction <sub>k</sub>	Means the year fraction for the relevant Coupon Period <sub>k</sub> for which Coupon Amount <sub>k</sub> is calculated, as determined by the Calculation Agent and in accordance with the Day Count Fraction and the Business Day Convention.
Coupon Payment Date(s) <sub>k</sub>	11/07/2016 (k=1), 11/07/2017, 11/07/2018, 11/07/2019, 13/07/2020, 12/07/2021, 11/07/2022, 11/07/2023, 11/07/2024, 11/07/2025.
Coupon Period <sub>k</sub>	Means each period from and including Coupon Payment Date <sub>k-1</sub> to, but excluding, Coupon Payment Date <sub>k</sub> during the term of the Product, except that <b>(a)</b> Coupon Period <sub>1</sub> (k=1) will commence on, and include, the Issue Date, and <b>(b)</b> the final Coupon Period <sub>k</sub> will end on, but exclude, the earlier of the Scheduled Redemption Date and the Early Redemption Date.
Day Count Fraction	30/360
Business Day Convention	Following Unadjusted
Adjustment Factor <sub>k</sub>	Means the difference of <b>(a)</b> 100%, and <b>(b)</b> the sum of Weights in respect of all Affected Reference Entities/Obligations (if any) as of, but excluding, the relevant Coupon Payment Date <sub>k</sub> .

## Redemption

On the Redemption Date, the Investor is entitled to receive from the Issuer per Product a Cash Settlement in the Settlement Currency in accordance with the following provisions and subject to the Physical Delivery Provision:

**Scenario 1**  
(Scheduled) In case no Credit Event during the Credit Event Observation Period has occurred, the **Denomination x Conditional Capital Protection**.

**Scenario 2**  
(Credit Event) In case a Credit Event has occurred during the Credit Event Observation Period with respect to one or more Reference Entities, as reasonably observed and determined by the Calculation Agent, the **Liquidation Amount**

In case, the exercise of the Issuer's Termination Right coincides with the occurrence of a Credit Event during the Credit Event Observation Period with respect all Reference Entities, Scenario 2 will take precedence over the Issuer's Termination Right provisions.

**The Calculation Agent may postpone or suspend the payment of any amount if the Calculation Agent has determined - in its sole and absolute discretion - that a Credit Event or a potential Credit Event (such as, but not limited to, a Potential Failure to Pay) has occurred, may have occurred, or might shortly occur, or if there is a pending request with the relevant Credit Derivatives Determinations Committee (as defined in the ISDA Definitions) regarding the occurrence of a Credit Event.**

Affected Reference Entity/Obligation Means a Reference Entity or Reference Obligation in respect of which a Credit Event has occurred during the Credit Event Observation Period.

Liquidation Amount The Liquidation Amount is expressed in the Settlement Currency and equals **(i)** the Denomination less **(ii)** the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the **Affected Reference Entities/Obligations** and less **(iii)** the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

In case of an exercise of the Issuer's Termination Right, the Liquidation Amount is expressed in the Settlement Currency and equals **(i)** the

Denomination less **(ii)** the pro rata share of all losses for unwinding or the settlement of any hedge position relating to the **Reference Entities and Reference Obligations** and less **(iii)** the pro rata share of any costs generated by the unwind or settlement of such hedging positions.

The Liquidation Amount will be calculated by the Calculation Agent in its sole and absolute discretion. The Calculation Agent will publish the Liquidation Amount as soon as it has been calculated according to the Programme.

**The Liquidation Amount may be significantly lower than the Denomination or even zero.**

Physical Delivery Provision

The Issuer may at its sole discretion instead of any Cash Settlement in respect of one or more Reference Entities, opt for Delivery of one or more Reference Obligations (in whole or in part) or, if this is not possible for any reason, any other obligation issued or guaranteed by the Reference Entity having characteristics as close as possible comparable with such of the Reference Obligation (including, but not limited, to the term and ranking of the Reference Obligation), as reasonably determined by the Calculation Agent (if more than one comparable obligations are available, the Calculation Agent may select such obligation which is the cheapest to deliver), or with an Outstanding Amount equal to the relevant Denomination (or multiples thereof). Fractional entitlements, as determined by the Calculation Agent in a commercially reasonable manner, will be paid by way of Cash Settlement in the Settlement Currency.

Issuer's Termination Right

The Issuer has an unconditional right to call all Certificates for early redemption (the "**Termination Right**") at any time without previous notice by announcement (the "**Termination Announcement**") on the Paying Agent's website ([www.leonteq.com](http://www.leonteq.com)), all in accordance with the General Terms and Conditions of the Programme. The Termination Announcement will specify the Final Fixing Date and the respective Early Redemption Date.

In case the Issuer's Termination Right has been exercised, the Investor will receive the **Liquidation Amount** on the Early Redemption Date, and the Product will be terminated. No current and no further coupon amounts will be payable to the Investor.

**Terms relating to the Reference Obligation(s)**

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Issuer's Substitution Right

The Issuer has an unconditional right to substitute any Reference Obligation by another obligation ("**Replacement Reference Obligation**") issued by the same Reference Entity or a Successor thereof without notice. In case no Replacement Reference Obligation is found, the Issuer may exercise the Issuer's Termination Right, otherwise the Product continues to exist.

The Issuer may exercise the Issuer's Substitution Right multiple times on the same Reference Entity or different Reference Entities, as the case may be. The Issuer may exercise the Issuer's Substitution Right in case of (but not limited to):

- a) a Reference Entity Call Event, or
- b) any corporate action in respect of a Reference Obligation (excluding any Credit Event in respect of a Reference Entity, as defined herein), or
- c) a restructuring in respect of a Reference Obligation (excluding any Credit Event in respect of a Reference Entity, as defined herein), or
- d) the ordinary redemption of a Reference Obligation.

Reference Entity Call Event

Means any redemption (full or partial) of a Reference Obligation by the Reference Entity (e.g. exercising a redemption option, redemption right or call right but excluding the ordinary redemption at maturity), as reasonably determined by the Calculation Agent in his sole and absolute discretion.

Successor

As defined in the ISDA Definitions (see section "Credit Event Determination Characteristics"). In accordance with the ISDA Definitions, a Reference Entity may become a Successor of another Reference Entity, including of an

Affected Reference Entity or vice versa. In case a Successor is an Affected Reference Entity, such Successor may again become subject to a Credit Event.

## Credit Event Determination Characteristics

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Credit Event	<p>The Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred with respect to a Reference Entity or Reference Obligation during the Credit Event Observation Period if:</p> <ol style="list-style-type: none"><li>1. the relevant Reference Entity fails to make, when and where due any interest, redemption or other payment as defined in the terms and conditions of the relevant Reference Obligation as of the Initial Fixing Date of this Product, or</li><li>2. an event has occurred that causes payments (interest, redemption or other payments) to be delayed or different in amount as per the terms and conditions of the relevant Reference Obligation as of the Initial Fixing Date of this Product, or</li><li>3. a credit event (as defined in the ISDA Definitions) has occurred in respect of the relevant Reference Obligation or the relevant Reference Entity, or</li><li>4. any other event occurs in respect of the relevant Reference Obligation or the relevant Reference Entity which may result in a non-payment or late payment of any amount due.</li></ol> <p>For the purposes of point 3 above, the following shall apply:</p> <ol style="list-style-type: none"><li>1. The credit event shall be determined in accordance with the Transaction Type specified in table "Reference Entity(-ies)" and as defined in the Credit Derivatives Physical Settlement Matrix as of 22/09/2014 ("<b>Matrix</b>") or any later version as determined by the Calculation Agent. The Matrix can be found at: <a href="http://www.isda.org/c_and_a/Credit-Derivatives-Physical-Settlement-Matrix.html">http://www.isda.org/c_and_a/Credit-Derivatives-Physical-Settlement-Matrix.html</a></li><li>2. For the purposes of determining a credit event, the Calculation Agent will use the standard elections in the Matrix.</li><li>3. For the purposes of the definition of the Credit Event Notice (see Section 1.32. of the ISDA Definitions) and the definition of the DC Credit Event Announcement (see Section 1.28. of the ISDA Definitions), the Credit Event Backstop Date shall be "not applicable".</li><li>4. A credit event and an Event Determination Date (as defined in the ISDA Definitions) shall <b>inter alia</b> (beside further cases described in the ISDA Definitions) be regarded as occurred and effective immediately after the below described publication of the Credit Event Notice.</li></ol> <p>The occurrence of a Credit Event shall be published in a notice by the Calculation Agent on the Calculation Agent's website ("<b>Credit Event Notice</b>") during the Notice Delivery Period.</p> <p>The relevant Credit Event Notice is regarded as delivered and becomes effective immediately after its publication on the Calculation Agent's website ("<b>Notice Delivery Date</b>").</p>
Credit Event Observation Period	<p>Means the period from (and including) the day which is 60 calendar days prior to the Initial Fixing Date to (and including) the Extension Date (as defined in the ISDA Definitions) (which usually corresponds with the Final Fixing Date but can also be a day thereafter in certain circumstances). For the purposes of the determination of the Extension Date, the Final Fixing Date shall be regarded as the Scheduled Termination Date.</p>
Notice Delivery Period	<p>Means the period from and including the Initial Fixing Date to and including the date that is 25 calendar days after the later of the Final Fixing Date and the Extension Date (as defined in the ISDA Definitions).</p>

Notice of Publicly Available Information	Not applicable
Event Determination Date	Unless otherwise provided for in the Product Documentation, as defined in the ISDA Definitions on the basis that „Auction Settlement“ and „Buyer or Seller“ are deemed to be applicable for the purposes of this Product.
Credit Event Backstop Date	For the purposes of the definition of the Credit Event Notice (see Section 1.32. of the ISDA Definitions) and the definition of the DC Credit Event Announcement (see Section 1.28. of the ISDA Definitions), the Credit Event Backstop Date shall be “not applicable”.
ISDA Definitions	<p>Means the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) on its website at <a href="http://www.isda.org">www.isda.org</a> (or any successor website thereto). Please note that the ISDA Definitions cannot be obtained free of charge.</p> <p>The Calculation Agent has the right (but not the obligation) to replace and amend the ISDA Definitions by any later definitions or supplements published by the ISDA.</p> <p>The ISDA Definitions shall apply only as far as they are required to define the terms in capital letters which are mentioned in this Termsheet and are not already defined in the Product Documentation, unless explicitly provided otherwise herein. Furthermore, terms defined in the ISDA Definitions but which have been otherwise named or defined in this Termsheet, shall for the purposes of the application or interpretation of the ISDA Definitions be interpreted in accordance with their respective term or definition used in this Termsheet.</p>

## General Information

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Issuer	EFG International Finance (Guernsey) Ltd., St Peter Port, Guernsey
Guarantor	EFG International AG, Zurich, Switzerland (Rating: Fitch A with stable outlook, Moody’s A1 with negative outlook)
Lead Manager	Leonteq Securities AG, Zurich, Switzerland
Calculation Agent	Leonteq Securities AG, Zurich, Switzerland
Paying Agent	Leonteq Securities AG, Zurich, Switzerland
Distribution Fees	Up to 0.10% p.a. (incl. VAT, if any. Reference is made to section “Remunerations to Third Parties” herein and to the General Terms and Conditions of the Programme.)
Issuer Estimated Value (“IEV”)	98.00% (reference is made to paragraph “Issuer Estimated Value and Total Expense Ratio” in section Additional Information/Disclaimer herein)
Total Expense Ratio (“TER”)	0.20% (reference is made to paragraph “Issuer Estimated Value and Total Expense Ratio” in section Additional Information/Disclaimer herein)
Listing/Exchange	SIX Swiss Exchange AG; traded on SIX Structured Products Exchange AG Listing will be applied for.
Secondary Market	Daily price indications will be available from 09:15 - 17:15 CET on <a href="http://www.leonteq.com">www.leonteq.com</a> , Thomson Reuters [SIX Symbol]=LEOZ or [ISIN]=LEOZ and Bloomberg [ISIN] Corp or on LEOZ. For any “buy back” transaction, a minimum period of 15 Business Days between the trade date and the Redemption Date shall apply. The Issuer intends to provide bid and offer prices with a spread of maximum 1.50% on a daily and best efforts basis, under normal market conditions.
Quoting Type	Secondary market prices are quoted dirty; accrued interest is included in the prices.
Quotation Type	Secondary market prices are quoted in percentage.
Settlement Type	Cash Settlement

Minimum Investment	CHF 1,000		
Minimum Trading Lot	CHF 1,000		
Selling Restrictions	<p>No action has been or will be taken to permit a public offering of the Products or possession or distribution of any offering material in relation to the Products in any jurisdiction, where such action for that purpose is required. Consequently, any offer, sale or delivery of the Products, or distribution or publication of any offering material relating to the Products, may only be made in or from any jurisdiction in compliance with applicable laws and regulations not imposing any obligations on the Issuing Parties or the Lead Manager.</p> <p>Possible limitations resulting from legal restrictions with regard to cross-border communication and cross-border business concerning the Products and related information remain reserved.</p> <p>Offering and selling restrictions in particular apply with respect to the EEA, UK, Hong Kong and Singapore.</p> <p>The Products may not be offered or sold within the United States or to, or for the account or benefit of US persons (as defined in Regulation S).</p> <p>Detailed information on Selling Restrictions is published in the Programme which is available on <a href="http://www.leonteq.com">www.leonteq.com</a>.</p>		
Clearing	SIX SIS Ltd, Euroclear, Clearstream		
Depository	SIX SIS Ltd		
Public Offering	Switzerland		
Form	Uncertificated Security / Book-entry		
Governing Law/Jurisdiction	Swiss / Zurich		
Business Day	<p>For the purpose of interpreting the ISDA Definitions:</p> <table border="1" data-bbox="448 1104 1192 1144"> <tr> <td>Reference Entity 1</td> <td>London &amp; Zurich</td> </tr> </table> <p>Zurich &amp; London &amp; Paris (for the purpose of Coupon Payment Dates, Redemption Date, Early Redemption Date and Credit Event Redemption Date)</p>	Reference Entity 1	London & Zurich
Reference Entity 1	London & Zurich		

**The definition "Issuing Party/Parties" as used herein, means the Issuer and the Guarantor, as indicated in section "General Information".**

## Taxation

Swiss Federal Stamp Duty	For Swiss stamp duty purpose, the Product is treated as analogous to a bond. Therefore, secondary market transactions are in principle subject to Swiss stamp duty (TK22).
Swiss Federal Income Tax (for private investors with tax domicile in Switzerland)	For private investors in Switzerland the coupon payments are subject to income tax at their maturity.
Swiss Withholding Tax	The Product is not subject to the Swiss withholding tax.
EU Savings Tax	For Swiss paying agents, the Product is subject to the EU Savings tax (TK1).

For Investors resident in a state with whom Switzerland has concluded a bilateral agreement on a final withholding tax (currently in place with Austria and the United Kingdom) and provided the product is held in a custody account with a qualifying Swiss paying agent (deposit bank), any investment income or realised capital gains might be subject to the final withholding tax as laid out in the respective bilateral agreement. The applicable tax rate depends on the home country of the investor and the category of capital income or capital gain.

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

Investors and prospective Investors are advised to consult with their tax advisers with respect to the Swiss tax consequences of the purchase, ownership, disposition, lapse or exercise or redemption of a Product in light of their



particular circumstances. The Issuing Parties and the Lead Manager hereby expressly exclude any liability in respect of any possible tax implications.

Updated bondfloor information, if a bondfloor is applicable to the Product (according to "Product Details" and "Taxation Switzerland" herein), can be found on the following web page of the Swiss Federal Tax Administration (FTA): [www.ictax.admin.ch](http://www.ictax.admin.ch). The Investor must be aware that for tax purposes the value of the bond floor is converted into Swiss Francs (CHF) at inception/purchase as well as at sale/redemption of the Product, in case the Product is denominated in another currency than CHF. Thus, the Investor is exposed to the foreign exchange risk with regard to the taxable income calculation.

## Product Documentation

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The Termsheet contains a summary of information of the Product and is for information purposes only. Only the Final Termsheet in English language together with the Derivative Programme of the relevant Issuer valid as per the Initial Fixing Date containing all further relevant terms and conditions, as such is amended from time to time (the "**Programme**"), shall form the entire and legally binding documentation for this Product ("**Product Documentation**"), and accordingly the Final Termsheet should always be read together with the Programme. Definitions used in the Final Termsheet, but not defined therein, shall have the meaning given to them in the Programme.

Notices to Investors in connection with this Product shall be validly given in accordance with the terms and conditions of the Programme.

During the whole term of this Product, the Product Documentation can be ordered free of charge from the Lead Manager at Brandschenkestrasse 90, P.O. Box 1686, CH-8027 Zurich (Switzerland), via telephone (+41-(0)58-800 1000\*), fax (+41-(0)58-800 1010) or via e-mail ([termsheet@leonteq.com](mailto:termsheet@leonteq.com)). Please note that all calls made to numbers marked with an asterisk (\*) are recorded. By calling such number, your consent to the recording is deemed given.

## II. Prospects for Profit and Loss

This Product falls within the category "Reference Entity Certificate with Conditional Capital Protection". Depending on whether the Product is capped or not, the profit an Investor could realize with this Product at redemption is limited (with cap) or unlimited (without cap). Any profit is composed of the invested capital (excluding any transaction or other costs) multiplied by the Conditional Capital Protection plus any additional (guaranteed and/or conditional) payments such as coupon or participation payments, bonuses or others.

On the downside the Investor's exposure to the Underlying(s) is floored at the Conditional Capital Protection level.

**In case a Credit Event has occurred, the Investor could lose the total capital invested.**

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

## III. Significant Risks

### Risk Factors Relating to the Product

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#### General

**In case a Credit Event has occurred, the Investor could lose the total capital invested.**

This Product is a complex financial product. The Investor assumes an additional credit risk. Investors are advised to seek expert advice on the risks associated with the specific Product before investing in Products with exposure to a Reference Entity or referring to third party credit events.

Given the complexity of the terms and conditions of this Product an investment is suitable only for experienced Investors who understand and are in a position to evaluate the risks associated with it.

#### **Risks regarding the credit linkage to the Reference Entity and the Reference Obligation**

The value of this Product and its repayment depends, amongst other things, predominantly on the Reference Entity(-ies) and the Reference Obligation(s). The creditworthiness of the relevant Reference Entity depends on specific risks relating to such entity and its business.

Any collateral securitization in place does not eliminate the risks associated with any Credit Event.

This Product is neither guaranteed by the Reference Entity(-ies) nor secured by any bonds or assets of the Reference Entity(-ies).



If the Calculation Agent determines, in accordance with the Product terms and at its own discretion, that a Credit Event has occurred, the Investors in the Product have no right of recourse against the relevant Reference Entity with regards to any loss which they sustain due to the Liquidation Amount redeemed to them (which may be significantly lower than the Issue Price or even zero).

After determination of a Credit Event by the Calculation Agent, the Investors do not stand to benefit from any positive performance with regards to the Reference Obligation(s) or any other debt instruments issued by the relevant Reference Entity. In particular, the consequences of determination of a Credit Event by the Calculation Agent cannot be reversed. As such, Investors do not participate, e.g. in the event of restructuring, in the corresponding restructuring process and are not entitled to appeal against elements of the restructuring process. For this reason, an investment in the Product may be associated with a higher risk than a direct investment in the liabilities of the Reference Entity(-ies).

If circumstances arise or an event occurs which have/has a negative impact on the creditworthiness or credit rating of the Reference Entity(-ies) but which do/does not result in the occurrence of a Credit Event, the price of the Product may fall. As a result, Investors who sell the Product at this time may sustain a significant loss of their capital invested.

No investigations, searches or other enquiries will be made and no express or implied representations or warranties will be given by the Issuer, Guarantor and their affiliates, any agent or any other third party on behalf of any of the persons named above in respect of the Reference Entity(-ies).

As a result of mergers or other events, the Reference Entity(-ies) may change. This could result in the risk that the relevant Reference Entity following such changes being, in economic terms, no longer comparable to the respective Reference Entity prior to such changes. Successions may be relevant if they have occurred before or after the Issue Date or after the Final Fixing Date of the Product.

Investors should take into account that the relevant date, on which the Liquidation Amount can be determined, may occur not only several days, but also several weeks or months, after the occurrence of a Credit Event without any interest payment in respect of the Liquidation Amount being owed by the Issuer.

Certain events and circumstances, including the occurrence of a Credit Event, shall be deemed to have occurred if a relevant Credit Derivatives Determination Committee of ISDA (the "DC") has issued a resolution to such effect. The resolutions made by a relevant DC will be published on the website <http://www.isda.org/credit/>. Potential Investors should be aware that their investment in the Product and any loss following a Credit Event is dependent on the contents of DC resolutions and that the Issuer, Guarantor and their affiliates and the holders of the Product are bound by such resolutions.

The Issuer, Guarantor and their affiliates may be subject to conflicts of interest in relation to the Reference Entity(ies).

#### **Suitability**

Prospective purchasers of the Product must ensure that they understand the nature of such Product and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in such Product and that they consider the suitability of such Product as an investment in the light of their own circumstances and financial condition.

Given the complexity of the terms and conditions of this Product an investment is suitable only for experienced Investors who understand and are in a position to evaluate the risks associated with it.

#### **Interest Rate Risk/Credit Risk**

The Investor in the Product is exposed to interest rate risks and to the credit spreads of the Reference Entity as the valuation of the Product depends, among others, on the prevailing interest rates and credit spreads of the Reference Entity.

#### **Credit Ratings/Rating Volatility**

Credit ratings represent the rating agencies' opinions regarding credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and/or interest payments and do not evaluate the risks of fluctuations in market value. Accordingly, the credit ratings (if applicable) may not fully

reflect the true risks of a Reference Entity. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events; so that an issuer's current financial condition may be better or worse than its rating indicates. Rating agencies may from time to time change the ratings of a Reference Entity even if no losses have been incurred.

Furthermore, there is no assurance that the rating (if applicable) of a Reference Entity will not be reduced or withdrawn in the future, or that a rating is a guarantee of future performance. Neither the Issuer nor any other party has made any investigation into the Reference Entity.

#### **Early Termination Risk**

The Issuer has broad discretion to call the Product for Early Redemption. Such early termination may adversely affect the Investors' financial interests.

#### **Limited Liquidity**

A secondary market will be provided under normal market conditions at the prevailing market price.

#### **Tax/Regulatory Impact**

There may be a tax or regulatory impact on investing in the Product. The Issuing Parties and the Placement Agents do not provide any tax opinion. Any Investor should consult with its own advisors prior to investing in the Product.

### **Additional Risk Factors**

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

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

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

The Issuer has the right (but not an obligation) to adjust the terms and conditions of the Product and/or terminate the Product (a) in case the Issuer is unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the risk of entering into and performing its obligations arising from the Product, or to realize, recover or remit the proceeds of any such transaction(s) or asset(s), or (b) in case of publication of any new definitions or supplements related to the ISDA Definitions by the International Swaps and Derivatives Association, Inc.

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

#### **Market Risks**

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

#### **No dividend payment**

This Product does not confer any claim to receive rights and/or payments of the underlying, such as dividend payments, unless explicitly stated herein, and therefore, without prejudice to any coupon or dividend payments provided for in this Termsheet, does not yield any current income. This means that potential losses in value of the Product cannot be compensated by other income.

### **Credit Risk of Issuing Parties**

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

Potential investors should note that the Issuer is not rated by the credit rating agencies, i.e. there is no credit rating for the Issuer.

### **Secondary Market**

The Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, intends, under normal market conditions, to provide bid and offer prices for the Products on a regular basis (if specified in the section "General Information"). However, the Issuer and/or the Lead Manager, as applicable, make no firm commitment to provide liquidity by means of bid and offer prices for the Products, and assume no legal obligation to quote any such prices or with respect to the level or determination of such prices. In special market situations, where the Issuer and/or the Lead Manager is/are unable to enter into hedging transactions, or where such transactions are very difficult to enter into, the spread between the bid and offer prices may be temporarily expanded, in order to limit the economic risks of the Issuer and/or the Lead Manager.

### **Illiquidity Risk**

One or, if applicable, more of the Underlyings might be or become illiquid over the life time of the Product. Illiquidity of an Underlying might lead to larger bid/offer spreads of the Product and/or to an extended time period for buying and/or selling the Underlying respective to acquire, unwind or dispose of the hedging transaction(s) or asset(s) or to realise, recover or remit the proceeds of such hedging transaction(s) or asset(s) which might implicate a postponed redemption or delivery and/or a modified redemption amount, as reasonably determined by the Calculation Agent.

## **Additional Information / Disclaimer**

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### **Prudential Supervision**

EFG International Finance (Guernsey) Ltd. falls within the consolidated regulatory supervision of EFG International AG by the FINMA and is neither licensed nor supervised by any Guernsey authority. Neither the GFSC nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Issuer or for the correctness of any of the statements made.

EFG International AG, Zurich is regulated by the FINMA on a consolidated basis.

### **Conflict of Interests**

The Issuing Parties and/or the Lead Manager and/or any third party appointed by them, as the case may be, may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market as well as be active on both sides of the market at the same time in any securities, currencies, financial instruments or other assets underlying the products to which this document relates. The Issuer's and/or Lead Manager's and/or the appointed third party's trading and/or hedging activities related to this transaction may have an impact on the price of the Underlying and may affect the likelihood that any relevant Barrier Level, if any, is reached.

### **Remunerations to Third Parties**

Depending on the circumstances the Issuer and/or Lead Manager may sell this Product to financial institutions or intermediaries at a discount to the Issue Price or reimburse a certain amount to such financial institutions or intermediaries (reference is made to section "General Information" herein).

In addition, for certain services rendered by distribution partners and to increase quality and services relating to the Products, the Issuer and/or Lead Manager may from time to time pay trailer fees to such third parties.

Further information is available on request.

### **Issuer Estimated Value and Total Expense Ratio**

The Issuer Estimated Value (the "IEV") and the Total Expense Ratio (the "TER") are calculated by the Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable, on the Initial Fixing Date, or at the beginning of the subscription period and will not be updated during the lifetime of the Product. The TER corresponds to the difference between the Issue Price of the Product and the IEV and is comprised of the expected issuer margin and the Distribution Fee, if such is applicable (as stated in section "General Information" herein). The issuer margin covers amongst others the costs for the structuring, market making and settlement of the Product as well as the expected issuer revenues. The Issue Price (including the IEV and

the TER) as well as the bid and offer prices of the Product are calculated based on internal pricing models of the Issuer and/or the Lead Manager or any third party appointed by the Issuer, as applicable.

**Payment of a Coupon**

If the Product stipulates the payment of a Coupon, the Investor is only entitled to receive the respective coupon payment, if he has purchased/not sold the Product at the latest on the Business Day preceding the respective Coupon Ex-Date for the then prevailing price.

**No Offer**

The indicative Termsheet is primarily provided for information purposes and does not constitute a recommendation, an offer or a solicitation of an offer to buy financial products.

**No Representation**

The Issuer, the Lead Manager and any third party appointed by them make no representation or warranty relating to any information herein which is derived from independent sources.

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## Appendix A

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The following Reference Obligation substitutions occurred (if any):

Date	Old*	New* (Replacement Reference Obligation)
Date	Reference Entity: [●] Transaction Type: [●] Seniority: [●] Reference Obligation ISIN: [●] Maturity: [●] Rating: [●],[●],[●] Weight: [●]	Reference Entity: [●] Transaction Type: [●] Seniority: [●] Reference Obligation ISIN: [●] Maturity: [●] Rating: [●],[●],[●] Weight: [●]

\* The above Ratings from selected rating providers are as of the Initial Fixing Date and may change during the lifetime of the Product. The Calculation Agent has obtained the Ratings from public sources and takes no responsibility about their correctness and accuracy.