

This Base Prospectus is dated as of 02.05.2024



PKB Private Bank SA
(incorporated in Switzerland)

Base Prospectus for the Issuance of Structured Products

Under the terms of this base prospectus (the "**Base Prospectus**") for an issuance and offering programme (the "**Programme**"), PKB Private Bank SA (the "**Issuer**" or "**PKB**") may issue structured products ("**Products**") in the form as set out in this Base Prospectus, as further specified in the relevant (indicative) final terms ("**Final Terms**") or pricing supplement (together with the Final Terms, the "**Issue Terms**"), as applicable, issued in respect of each Product.

This Base Prospectus has been approved in Switzerland by SIX Exchange Regulation AG (the "**Prospectus Office**") on 10.05.2024 in its capacity as Swiss prospectus office within the meaning of the Swiss Financial Services Act ("**FinSA**") as base prospectus pursuant to Article 45 FinSA. If and to the extent the Products will be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA, a prospectus pursuant to Article 40 et seq. FinSA is required (the Products not falling into the scope of the requirement to be issued under a prospectus in the sense of the FinSA are referred to as the "**FinSA Exempt Products**"). The requirement to prepare a FinSA compliant prospectus will be met by an issuance under Issue Terms (i) prepared on the basis of the pro forma final terms set out in this Base Prospectus, provided they do not specify that the Product is a FinSA Exempt Product, and (ii) registered with the Prospectus Office. The Products other than FinSA Exempt Products may be publicly offered under this Programme and the Issue Terms pertaining to the Products in Switzerland in accordance with the requirements of the FinSA. To the extent that Products are issued as FinSA Exempt Products, this base prospectus shall not be a prospectus pursuant to FinSA and shall be read and construed together with any amendments or supplements hereto.

The Products do not qualify as units of a collective investment scheme according to the relevant provisions of the Swiss Collective Investment Schemes Act ("CISA") and are not registered thereunder. Therefore, the Products are neither subject to the CISA nor supervised by FINMA. Accordingly, Investors do not have the benefit of the specific investor protections provided under CISA.

Investors are exposed to the credit risk of the Issuer. The Products constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with each and all other current and future unsubordinated and unsecured obligations of the Issuer. The insolvency of the Issuer may lead to a partial or total loss of the invested capital.

The Products will be issued based on (i) the information set out in this Base Prospectus, including the general terms and conditions, the underlying specific conditions (collectively, the "**Terms and Conditions**"), as amended, and (ii) the Issue Terms (together with the Terms and Conditions, the "**Conditions**"). The Programme and the relevant Issue Terms shall form the entire documentation for each Product and should always be read in conjunction with each other. In case of inconsistencies between the Terms and Conditions and the Issue Terms, the Issue Terms shall prevail.

This Base Prospectus has been prepared on the basis that (i) any offer of Products in a Member State of the European Economic Area will be made under an exemption in the Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") from the requirement to publish a prospectus for offers of such Products and (ii) any offer of Products in the United Kingdom will be made under an exemption in the EU Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 from the requirement to publish a prospectus for offers of such Products. The Issuer has not authorised and will not authorise any offer of Products which would require the Issuer or any other entity to publish a prospectus in respect of such offer.

Products issued pursuant to the Programme may be unlisted or an application may be made for Products to be listed on any stock exchange other than any stock exchange or market. Prospective investors should ensure that they understand the nature of the relevant Products and the extent of their exposure to risks and they should also consider the suitability of the relevant Products as an investment in the light of their own circumstances and financial condition. Products involve a high degree of risk, including the risk of expiring worthless. Investors should be prepared in certain circumstances to sustain a total loss of the capital invested. See Section 5 herein and any additional risk factors as set out in the relevant Issue Terms.

1 IMPORTANT INFORMATION

If and to the extent the Products will be offered, sold or advertised, directly or indirectly to retail clients within the meaning of FinSA ("**Retail Clients**") a key investor document pursuant to Article 58 et seq. FinSA relating to the Products or document deemed equivalent would need to be prepared, except if the Retail Clients may acquire the Products only within the framework of a portfolio management agreement.

No person is authorised to provide any information or to make any representation not contained in or not consistent with this Base Prospectus, the relevant Issue Terms or any other information supplied in connection with the Programme. Investors should not rely upon information or representations that have not been given or confirmed by the relevant Issuer, Lead Manager or Calculation Agent (as defined in the applicable Issue Terms).

The Issuer, the Lead Manager or any of their affiliates may hold, retain, buy or sell the Underlying (as defined in the Conditions). They further may hold, retain, buy or sell the Products of each issue and/or enter into transactions relating thereto or derived therefrom, in such amounts, with such purchasers and/or counterparties and at such prices (including at different prices) and on such terms as any such entity may determine, be as part of its business activity and/or any hedging transactions as described in this Base Prospectus or for any other reason. There is no obligation upon the Issuer and/or the Lead Manager to sell all of the Products of any issue. The Products of any issue may be offered or sold in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer and/or the Lead Manager, as the case may be, subject as provided above.

Neither this Base Prospectus nor any other information supplied in connection with the Programme (i) is to be used as the basis of any credit assessment or other evaluation or (ii) is to be considered as a recommendation by the Issuer, the Lead Manager or the Calculation Agent that any recipient of this Base Prospectus (or any other information supplied in connection with the Programme) should purchase any Products. Each Investor contemplating the purchase of any Products should make his or her own independent enquiries regarding the financial condition and business development of the Issuer, and his or her own appraisal of its creditworthiness. Investors should also review, *inter alia*, the most recently published annual report and financial results of the Issuer when deciding whether to purchase any Products.

Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or an invitation by or on behalf of the Issuer, the Lead Manager or any person to subscribe for or to purchase any Products. The distribution of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Lead Manager does not undertake to review the financial condition or course of business of the Issuer during the life of the Programme. **In certain jurisdictions, the offering or sale of the Products may be restricted by law. Persons who obtain possession of, receive or have access to the Conditions must seek the relevant information to understand any such restrictions, as set out in more detail in the relevant Issue Terms, and they must not breach any such restrictions. The Conditions do not constitute, and may not be used for the purposes of, an offer or solicitation to subscribe for or to purchase any Product in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, the Conditions should not be used by anyone for this purpose. This Base Prospectus has been published on the Issuer's webpage at www.pkb.ch. During the term of the Products, the Conditions can be ordered free of charge from at PKB Private Bank SA, Via S. Balestra 1, 6900 Lugano / secretaryenmgt@pkb.ch**

2 CONSENT TO THE USE OF THE PROSPECTUS

Unless provided otherwise in the relevant Issue Terms, only the Lead Manager and/or a financial intermediary specified in the Issue Terms may use this Base Prospectus.

If the Issuer has given consent to the use of this Base Prospectus, the following shall apply:

- This Base Prospectus may only be used during the one-year period in accordance with Article 55 FinSA and provided that the Products are offered under this Base Prospectus pursuant to the applicable Issue Terms.
- The Issuer accepts responsibility for the information given in this Base Prospectus also with respect to such subsequent resale or final placement of the relevant Products for which it has given its consent.
- The Base Prospectus may only be delivered to potential Investors together with all supplements thereto published before such delivery.

In the relevant Issue Terms, the Issuer can determine further conditions attached to its consent which are relevant for the use of this Base Prospectus.

When using this Base Prospectus, the Lead Manager and/or relevant further financial intermediary must make certain that it complies with all applicable laws and regulations in force in Switzerland and in any other relevant jurisdiction.

In the event of an offer being made by the Lead Manager and/or a further financial intermediary, the Lead Manager and/or the further financial intermediary shall provide information to Investors on the terms and conditions of the offer at the time of that offer.

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4 SUMMARY

Certain capitalised terms used in this Section (the "**Summary**") are defined in the Terms and Conditions and/or the relevant Issue Terms.

This Summary is intended as an introduction to the Programme (as supplemented from time to time) of PKB Private Bank SA prepared in relation to the Products. Investors should ensure that any decision to invest in the Products is based on a review of the entire Programme, including documents incorporated by reference, any supplements, and the Issue Terms. PKB Private Bank SA's liability in respect of this Summary is limited to statements that are misleading, inaccurate or inconsistent when read together with the other parts of the Programme and the Issue Terms.

Issuer	<p>The Issuer is PKB Private Bank SA, a stock corporation (<i>Aktiengesellschaft / società anonima</i>) according to Article 620 et seq. of the Swiss Code of Obligations registered in the Commercial Register of the Canton of Ticino, Switzerland, under the number CHE-105.839.708.</p> <p>The registered office of PKB Private Bank SA is at Via Serafino Balestra 1, 6900 Lugano, Switzerland.</p>
Products	<p>The Products comprise the categories as listed below, as defined in the "SSPA Swiss Derivatives Map 2024" issued by the Swiss Structured Products Association SSPA (see https://www.sspa.ch/en for further information). The categories listed below have been included for illustration purposes only and the specific terms and conditions of the Products may differ from such description. Further, the list of types of Products set out below is not exhaustive and the Issuer is free to issue Products with different and/or additional features under this Base Prospectus.</p> <p>Capital protection products (SSPA category 11), which includes the following product types:</p> <ul style="list-style-type: none"> - capital protection note with participation (SSPA category 1100); - capital protection note with barrier (SSPA category 1130); - capital protection note with twin Win (SSPA category 1135); and - capital protection note with coupon (SSPA category 1140). <p>Tracker certificates (SSPA category 1300), which belong to participation products (SSPA category 13).</p> <p>Unless otherwise specified in the relevant Issue Terms, the Products are not admitted to trading.</p>
Applicable law	<p>The form and content of the Products and all rights and obligations of the Issuer and of the Investors will be governed by, and construed in, all respects in accordance with the laws of Switzerland.</p>
Status of the Products	<p>The Products constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Products shall rank equally among themselves and, save for such exceptions as may be provided by applicable law, <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable law and any subordinated obligations.</p>

<p>Terms of the Products</p>	<p>The key information relating to a Product and specific terms and conditions of a Product as well as information regarding the public offer and admission to trading of a Product are set-out in the relevant Issue Terms which supplement the information comprised in this Base Prospectus. Consequently, the Base Prospectus and the relevant Issue Terms shall form the entire documentation for each Product and should always be read in conjunction with each other. In case of inconsistencies between the Terms and Conditions and the Issue Terms, the Issue Terms shall prevail.</p>
<p>Approval of this Base Prospectus and availability of the Issue Terms</p>	<p>SIX Exchange Regulation AG in its capacity as Swiss prospectus office pursuant to FinSA has approved this Base Prospectus as of 10.05.2024 as a base prospectus pursuant to Article 45 FinSA.</p> <p>Except for in relation to FinSA Exempt Products, the Issuer undertakes to deposit any Issue Terms as soon as in final form and in any case prior to the admission to trading of a Product, if relevant, with SIX Exchange Regulation in its capacity as Swiss prospectus office.</p>

5 RISK FACTORS

Certain capitalised terms used in this Section are defined in the Terms and Conditions and/or the relevant Issue Terms.

An investment in the Products involves certain risks. If one or more of the risks described below occur, investors (the "**Investors**") in the Products may incur a partial or even a total loss of their invested capital. Any potential Investors (the "**Potential Investors**") should therefore consider the following factors addressed to Investors and have a thorough understanding of the mechanics of the relevant Products prior to investing in and/or while holding the Products. Therefore, the term "Investor" includes, as the case may be, actual Investors and/or Potential Investors.

Investment decisions should **not** be made solely on the basis of the risk warnings set out in the Conditions, since such information cannot serve as a substitute for individual advice and information which is tailored to the requirements, objectives, experience, knowledge and circumstances of each Investor.

5.1 General risk factors affecting all Products

5.1.1 There may not be a secondary market for the Products

Unless specified in the Issue Terms, the Issuer has not undertaken to create or facilitate the existence of any secondary market for the Products and the Products are not and will not be admitted to trading or listed on any exchange or trading venue. Further, the Products may be subject to certain actual transfer restrictions or be in a form (e.g. paper certificates) that makes them unsuitable for trading on a secondary market. Even in case a secondary market develops, (a) it may not provide enough liquidity to allow an Investor to trade or sell the Products within the timeframe desired by the Investor or at all, (b) it is not possible to predict the prices at which the Products will trade in such secondary market and (c) there is no assurance that such secondary market will continue.

Therefore, Investors may not be able to sell the Products easily or at prices reasonably acceptable to them and Investors should only invest in the Products if they can hold them until their maturity date.

5.1.2 Investors risk losing all of their investments in the Products

Investors may lose all or a substantial portion of their investment if the value of the Underlying does not move in the anticipated direction. Capital protection, if provided in the Issue Terms, may guarantee (subject to the credit risk of the Issuer) a repayment of a certain amount at maturity / on the redemption date. This amount may however be lower than the value of the investment of the Investor, for several reasons, including:

1. the capital protection may be partial, as specified in the Issue Terms;
2. the capital protection does not apply if the Products are redeemed or otherwise terminated before their stated maturity or redemption date, and in such cases any payment made by the Issuer to redeem or otherwise terminate the Products may be materially lower than the capital protection, or potentially even zero, thus potentially leading to the loss of the Investor's entire investment;
3. the capital protection does not apply in the event the Issuer is required to or validly elects to deliver;
4. the capital protection will be based on the denomination or nominal value of the Products and not on the purchase price actually paid by the Investor. If an Investor acquired Products at a price higher than their denomination or nominal value, a protection of 100% will not guarantee that the Investor receives a payment at maturity

or on the relevant redemption date that is at least equal to the amount paid by the Investor to acquire the Products.

Even if the Issue Terms specify a capital protection, the Investor's investment is or may therefore be at significant risk.

5.1.3 The Products are complex and must be carefully evaluated by the Investor

Each Investor should determine whether an investment in the Products is appropriate in its particular circumstances. An investment in the Products requires a thorough understanding of the nature of the relevant transaction. Investors should be experienced with respect to capital investments, in particular with investments in structured products and be aware of the related risks.

An investment in the Products is only suitable for Investors:

- who have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Products and the information contained or incorporated by reference into the Base Prospectus and the Issue Terms;
- thoroughly understand the Underlying, its market and how it affects the Products;
- are capable of bearing the economic risk of an investment in the Products until the Products mature or are redeemed;
- recognize that there may not be any secondary market for the Products and that it may be impossible to dispose of the Products.

5.1.4 The Products are unsecured obligations

Unless otherwise specified in the relevant Issue Terms, the Products constitute direct, unsecured and unsubordinated obligations of the relevant Issuer which rank equally with all other current and future unsecured and unsubordinated obligations of such Issuer without any preference among themselves and without any preference one above the other by reason of priority of date of issuance, currency of payment or otherwise, except such obligations which rank higher on the basis of mandatory provisions of law.

5.1.5 Investors are not the holders of any underlying asset

By holding the Product, the Investor will not be holding or beneficially owning (directly or indirectly) any Underlying Assets or Basket Components. The Investor will therefore not be entitled to the rights enjoyed by the holders of the Underlying Assets or Basket Components, including in particular the rights to vote such instruments or to receive dividends and other distributions. Further, even if the Issuer holds Underlying Assets or Basket Components, the Issuer will not hold them for the benefit of the Investor and the Investor will have no claim or right to such instruments.

5.1.6 The performance of the Products may materially differ from that of the underlying assets

Investors should be aware that an investment in the Product is not equivalent to investing directly in the Underlyings or Basket Components. Changes in the value of any Underlying may not necessarily lead to a comparable change in the value of the Products or result in a corresponding increase or decrease in any payment due to the Investor under the Products. This may inter alia be the case because the profit potential of a Product is capped, or because the participation of the Investor in price changes at the level of an Underlying is below 100%. The performance of the Products may accordingly differ significantly from a direct investment in the Underlyings or Basket Components.

5.1.7 The Products have not been and are not subject to an authorization from FINMA

The Products are derivative instruments which do not represent a participation in a collective investment scheme pursuant to Articles 7 et seq. CISA and thus do not require an authorization by FINMA. Therefore, Holders are not eligible for the specific investor protection under CISA.

5.1.8 The Products may be redeemed or terminated before their stated maturity or redemption date

The Products may be redeemed or otherwise terminated prior to their scheduled maturity or redemption dates for a number of reasons, which include:

- the occurrence of an event triggering an early redemption as per this Base Prospectus and the Issue Terms, e.g. the Product having negative value or the Underlying becoming illiquid and cause hedging disruptions;
- the exercise by the Issuer of a call option or of an Investor put option, if specified in the relevant Issue Terms;
- the occurrence of an event of default with respect to the Issuer.

In such circumstances, the Investor may be entitled to a payment that is materially lower than the price paid by the Investor to acquire the Products and is also materially lower than the denomination or nominal value of the Product. In certain circumstances, the price may even be zero, resulting in a total loss for the Investor.

5.1.9 The timing for any payment of the Issuer to the Investor may be materially altered

Although the Issue Terms may specify that the Issuer is due to make certain payments to the Investor on certain date, this Base Prospectus (and potentially the Issue Terms as well) allow the Issuer to postpone the relevant payment dates and otherwise adjust the terms of the Products to amend the timeline of the Products in a number of circumstances. These circumstances include disruptions on the Underlying, on the ability of the Issuer to hedge the Issuer's exposure under the Products, as well as other circumstances.

5.1.10 Market disruptions affecting the Underlying may materially affect the Products

Certain market disruptions commonly observed on financial markets may have far-reaching consequences for the Products.

In particular, if the Underlying becomes illiquid and the Issuer faces difficulties hedging the Products, the Issuer may be allowed to terminate the Products early and pay to the Investors an amount determined by the Issuer and/or the Calculation Agent based on the fair market value of the Products. In addition, by issuing the Products, the Issuer is taking a financial risk. The Issuer expects to hedge all or part of its financial exposure under the Products. Although the Investor is not a party nor a beneficiary of any such hedging arrangements, the failure of the Issuer to hedge the Products enables the Issuer to terminate the Products and pay to the Investors an amount determined by the Issuer and/or the Calculation Agent based on the fair market value of the Products.

Especially in circumstances where market disruptions have occurred or are occurring, the fair market value of the Products may be considerably lower than any redemption payment due to the Investor on the redemption date or at maturity, and could potentially even be zero in certain cases.

5.1.11 Returns on the Products may be affected by inflation

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Products. If

the inflation rate over the life of the Products is equal to or higher than the nominal yield of the Products, the real yield on the Products can be zero or even negative.

5.1.12 Investors may be exposed to exchange rate risks

The currency in which the Issuer is due to make payments under the Products (the "**Settlement Currency**") may not be the currency that has legal tender at the Investor's place of residence. In such a case, fluctuation on the Settlement Currencies compared to the currency that has legal tender at the Investor's place of residence will affect the Investor's return.

In addition, the Settlement Currency may not be the currency in which the Underlying is denominated. In such cases, a currency conversion will or may need to be performed to determine the amounts to be paid to the Investor. Such a currency conversion will be done by the Issuer or the Calculation Agent, using an exchange rate determined by the Issuer or the Calculation Agent. Such conversion rate may be unfavourable to the Investor, resulting in potential losses.

5.1.13 Values or levels that are material to the Products may not be known at the time of investment

If the Investor acquires a Product during its subscription / offering phase, a number of values, levels, prices, percentages and other information to calculate the entitlement of the Investors under the Products may not have been already set and may be unknown. In these circumstances, the relevant values, levels, prices, percentages and other information will be set in the Final Terms. The Final Terms will in such cases however not be known to the Investor before an investment decision is made.

The values, levels, prices, percentages and other information missing during the subscription / offering phase of the Products will be set by the Issuer and/or the Calculation Agent in their discretion on or around the end of the subscription / offering phase and they may be materially different for the indicative parameters specified previously.

5.1.14 A substitution of the Issuer is permitted

The Issuer may at any time, without the consent of the Investor, be substituted by a Substitute Issuer. Following such substitution, Investors will become subject to the credit risk of the Substitute Issuer and this risk may be materially higher than the credit risk of the Issuer.

5.1.15 Payments may be subject to U.S. withholding under Section 871(m)

A 30% withholding tax or other tax is imposed under Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended, (*i.e.* Section 871(m)) on certain "dividend equivalents" paid or deemed paid to a non-U.S. Holder with respect to a "specified equity-linked instrument" that references one or more dividend paying U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends.

The Issuer will determine whether dividend equivalents on the Products are subject to withholding under Section 871(m). If the Issuer considers that withholding is required, the Issuer or the Paying Agent will withhold 30% in respect of dividend equivalents paid or deemed paid on the Products and will not pay any additional amounts to the Investors with respect to any such taxes withheld.

Regardless of our good-faith efforts to take into account the situation of investors who may be entitled to an exemption from or reduction of withholding on such payments under applicable law, there is the risk that withholding will be done at a higher rate and that the Investor will not be able to successfully claim a refund of the tax withheld in excess of the tax rate that would otherwise apply to such payments.

Investors should consult with their tax advisors regarding the application of Section 871(m) and the regulations thereunder in respect of their acquisition and ownership of the Products.

5.1.16 Payments may be subject to withholding under FATCA

U.S.-source payments made in connection with the Products may be subject to a 30% U.S. withholding tax under FATCA. FATCA imposes a 30% U.S. withholding tax on certain payments made to (i) "foreign financial institutions" ("**FFIs**") unless they disclose their direct and indirect U.S. account holders to the U.S. Internal Revenue Service (the "**IRS**") or to the tax authorities in their own jurisdictions (if the governmental authorities in their own jurisdictions have entered into FATCA intergovernmental agreements with the United States) and fulfil other FATCA compliance obligations applicable to FFIs (or are exempt from such obligations under FATCA), and (ii) certain "nonfinancial foreign entities" (*i.e.* non-U.S. entities that are not FFIs) unless they provide information regarding any "substantial U.S. owners" (*i.e.* certain direct and indirect U.S. persons that own more than 10% of the interests in the subject non-financial foreign entity) or, in certain jurisdictions, any specified "controlling persons" of the entity, or are otherwise exempt from such obligations under FATCA.

Accordingly, the Issuer and other foreign financial institutions may be required under FATCA to report certain account information about holders of the Products directly to the IRS (or to a non-U.S. governmental authority in certain cases). Moreover, the Issuer may be required to withhold on a portion of payments made on the Products to (i) holders who do not provide any information requested to enable the Issuer to comply with FATCA, or (ii) foreign financial institutions who fail to comply with FATCA. Investors holding their Products through a foreign financial institution or other foreign entity should be aware that any payments under the Products may be subject to 30% withholding tax under FATCA. If an amount in respect of such withholding tax under FATCA were to be deducted or withheld from payments on the Products, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Products, be required to pay additional amounts as a result of the deduction or withholding of such tax. Investors should, consequently, be aware that payments under the Products may under certain circumstances be subject to U.S. withholding under FATCA and should consult with their tax advisors regarding the application of withholding tax under FATCA in respect of their acquisition and ownership of the Products.

5.1.17 Change in taxation of the Products

The considerations concerning the taxation of the Products set forth in this Base Prospectus reflect the view of the Issuer on the basis of the legal situation identifiable as of the date hereof. However, there is a risk that tax authorities and courts might take a different view, resulting in a different tax treatment of the Products. The tax considerations set forth in this Base Prospectus do not constitute an advice to the Investor and there can be no assurance that the tax treatment of the Products will be as described herein. This Base Prospectus cannot be the sole basis for the assessment of an investment in the Products from a tax point of view, also because the individual circumstances of each Investor also have to be taken into account. The Issuer assumes no responsibility vis-à-vis the Investors for the tax consequences of an investment in the Products.

5.1.18 Determinations of the Issuer and of the Calculation Agent

The Issuer and/or the Calculation Agent may have broad discretion authority to make various determinations and adjustments under the Products, any of which may have an adverse effect on the market value thereof or any amounts payable or other benefits to be received thereunder. The Calculation Agent will make any such determination at its reasonable discretion and in a commercially reasonable manner. Investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Products. Any such discretion exercised by, or any determination made by, the

Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the relevant Issuer and the Investors.

5.1.19 Benchmark regulation may affect the Products

Reference rates, interest rates, indices, baskets, or other rates used as Underlyings for the purposes of the Products may generally constitute benchmarks and as such may be subject to supervisory law regulations and reform proposals (such Underlying is also referred to as "**Benchmark**").

Innovations such as the ones introduced by IOSCO's Principles for Financial Benchmarks and the Regulation (EU) 2016/1011 of the European Council and the Parliament of 8 June 2016 on indices used as benchmarks in certain financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmarks Regulation**") may result in the different performance of the relevant Benchmarks. It may exclude certain Benchmarks from being used as Underlyings, because the Benchmarks may incur higher costs if regulatory requirements for the administrator are tightened or because certain uses by EU supervised entities of Benchmarks provided by administrators that are not authorised or registered (or, if located outside the EU, deemed equivalent or recognised or endorsed) are prohibited by the EU Benchmarks Regulation. Benchmarks such as reference rates, interest rates, indices, baskets, or other rates used as Underlyings in connection with the Products may also be affected by regulatory guidance and reform or changes in policy at national, as well as at international level. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted.

More generally, any of the above changes to any Benchmark as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks. Investors should be aware that each of these changes may have a material adverse effect on the level or availability of the Benchmark and consequently on the value of the Products. The disappearance of a Benchmark or changes in the manner of administration of a Benchmark could result in fallback provisions specified herein or in Issue Terms to become applicable, or early termination rights to become available to the relevant Issuer or other consequences in relation to Products linked to such Benchmark. Any such consequence could have a material adverse effect on the value and return of any Products based on or linked to a Benchmark.

5.1.20 Physical delivery of the Underlyings involves risks

In case the Issuer is required to or entitled to deliver to the Investor any Underlying or Basket Component at redemption date or otherwise, it is the responsibility of the Investor to maintain a securities account with an intermediary that agrees to keep the relevant instruments in custody for the Holder's account and, in a number of circumstances, the Issuer will have discharged its obligation to deliver the relevant instruments to the Holder even if such instruments have not been (and may never be) credited on an account of the Holder.

The delivery of instruments may take time to process, whether at the level of the Clearing System or at the level of any intermediary with which the Holder maintains an account. During such time, the Holder may be prevented from selling the relevant instruments and suffer material losses as a result.

5.2 Risk factors relating to certain types of Products

5.2.1 Risks where a Share is an underlying asset

The person issuing the relevant Shares has no duty towards the Investor

The Issuer is not the person issuing the Shares and the Investor is not a holder of the Shares. The person issuing the Shares (including that person's board members, members of the management and shareholders) has no fiduciary or other duties towards the Investor and should not be expected to take the Investor's interest into account. Further, the Investor will have no claim against the person issuing the Shares.

Investors have no voting rights and may have no right in relation to dividends or distributions

Except as provided in the relevant Issue Terms, Products with Shares do not grant their respective Holders any voting rights or any other right with respect to the relevant Shares to which such Products relate. Similarly, the relevant Holders will not have the right to receive dividends or distributions (or payments matching those dividends or distributions) except if otherwise provided in the relevant Issue Terms. As a result, the return on the Products may materially diverge from the return an Investor would realize if it actually owned those relevant Shares and received the dividends paid or other distributions made in connection with them.

5.2.2 Risks where a commodity is Underlying

Commodities trading is generally considered speculative and may be extremely volatile. Commodity prices may be influenced by various unpredictable factors including, without limitation, changes in supply and demand relationships, weather patterns and extreme weather conditions, environmental disasters, governmental programs and policies, national and international political, military, terrorist and economic events, fiscal, monetary and exchange control programs and changes in interest and foreign exchange rates.

Commodities markets are further subject to temporary distortions or other disruptions due to various factors, such as lack of liquidity, the participation of speculators as well as government regulation and intervention. These factors may adversely affect the market value of Products with commodities as Underlying, and different factors may cause the prices of commodities and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

5.2.3 Risks where the Products have a Basket of Underlying

Investors should consider the level of correlation between each of the Basket Components with respect to the performance of the Basket. Past rates of correlation may not be determinative of future rates of correlation. Investors should be aware that, though Basket Components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general economic downturn or other economic or political event. Where the Basket Components are subject to high correlation, any move in the performance of the Basket Components will exaggerate the performance of the Products.

The performance of a Basket with fewer constituents will be more affected by changes in the values of any particular Basket Component than a Basket with a greater number of Basket Components. The performance of a Basket that gives a greater weight to certain Basket Components as compared to other Basket Components will further be more affected by changes in the value of the Basket Components having such greater weight than a Basket which apportions an equal weight to each Basket Component. Even in the case of a positive performance of one or several Basket Components, the overall performance of the Basket may be worse or even negative if the performance of the other Basket Components is negative to a greater extent.

5.2.4 Risks where the Products have an Index as Underlying

The return payable or deliverable on any Products with an Index as Underlying may not reflect the return that an Investor would realize if it actually owned the relevant assets comprising the components of the Index or owned a different form of interest in the relevant Index. Investors in Products that reference an Index may receive a lower payment upon redemption or settlement of such Products than any return such an Investor would have received if it had invested in the components of the Index directly or other comparable instruments linked to the Index.

Components of an Index may be added, deleted or substituted at the discretion of the index sponsor. The methodology used to calculate the level of the Index may also be altered. Such changes may have a detrimental impact on the Index level, which in turn could have a negative effect on payments to be made to the Investor.

5.2.5 Risks where the Products have Non-Equity Securities as Underlying

There may be only a limited secondary market for the Non-Equity Securities

The secondary market for Non-Equity Securities may be very limited. This is sometimes because the Issuer of the relevant instruments is the sole market maker for them. It therefore remains uncertain whether and to what extent a secondary market for the Non-Equity Securities will develop and whether this secondary market will be liquid or not. The price of the Non-Equity Securities may therefore be disproportionately influenced by the actions of their issuer.

The Investor is not a holder of Non-Equity Securities

Products with Non-Equity Securities as Underlying do not represent a claim against the person issuing the Non-Equity Securities and the Investor will not have any right of recourse against the person issuing the Non-Equity Securities. Further, an investment in Products linked to one or more Non-Equity Securities does not result in any right to receive information from the person issuing the Non-Equity Securities or to receive in respect of the Non-Equity Securities.

Interest payments and distributions may not be passed on to the Investor

Unless provided otherwise in the Issue Terms, the Investor will not be entitled to any payment in the event the person issuing the Non-Equity Securities pays an interest payment or coupon, or makes any distribution in respect of the Non-Equity Securities.

Non-Equity Securities may be highly complex

Non-Equity Securities do not necessarily enjoy a degree of standardization comparable to that of other instruments and may have features that are unique to a specific class or issue of Non-Equity Securities, such as specific events of defaults. These features may not be (fully) reflected in the market price of the Non-Equity Securities, but may have a significant adverse impact on the Non-Equity Securities and on the Products.

The exposure of the Issuer under Products with Non-Equity Securities as Underlying or Basket Component may also be more complex to hedge, resulting in increased hedging costs that should be expected to be passed to the Investor (*e.g.* in the form of higher fees on the Products).

5.2.6 Risks where Products have fund units as Underlying

The Investor's return on Products linked to a fund may not reflect the return such investor would realize if the Investor actually owned the relevant assets included in the portfolio of the fund. Even where a fund aims to replicate the performance of a portfolio of assets, no assurance can be given that the performance of the fund will be identical to the performance of the relevant assets. Accordingly, an Investor in Products linked to a fund may achieve a lower

return on investment (if any) than such investor would have received, if he or she had directly invested in the assets included in the portfolio of the fund.

5.2.7 Risks where Products have futures as Underlying

Futures have a specific expiry date. The Issuer may, in the case of Products with a longer term, replace the Underlying by a future at a time specified in the Issue Terms which, except for a later expiry date, has the same contract specifications as the initially underlying future (so-called "Rollover"). If at that time no future exists whose underlying conditions or relevant contract characteristics coincide with those of the Underlying to be replaced, the Issuer has the right to replace the future or to terminate the Products in accordance with the Issue Terms.

Depending on the price deviation between the expiring and the replacement futures at the time of the Rollover, the Rollover may have an adverse influence on the price of the Products, or potentially lead to a barrier being breached.

5.3 Risks linked to conflicts of interest

5.3.1 Issuer acting as Calculation Agent

The Calculation Agent is not required to be independent from the Issuer and the Issuer (or any Affiliate) may act as Calculation Agent in relation to any Product. As the Calculation Agent may be either the relevant Issuer or any Affiliate, potential conflicts of interest may exist between the Calculation Agent and the Investor, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. The Calculation Agent has the authority to determine (a) whether certain specified events relating to the Products have occurred, and (b) any resulting adjustments and calculations to be made to the Products as a result of the occurrence of such events. Any determination by the Calculation Agent may affect the Investor's return on the Products (in particular, without limitation, where the Calculation Agent is entitled to exercise discretion).

5.3.2 Issuer acting as sponsor of an Index

Where a Product has an Index as Underlying, the Index may be a proprietary Index of the Issuer or one of its Affiliates. A proprietary Index or strategy of the relevant Issuer will generally be developed, owned, calculated and maintained by the Issuer or any Affiliate. In such circumstances, the Index or strategy sponsor would be under no obligation to take into account the interests of the Investor. In its capacity as index sponsor, the Issuer or its respective Affiliate will have the authority to make determinations that could materially and adversely affect the value of the Products.

5.3.3 Hedging transactions

The Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) expects to hedge all or part of its exposure under the Products. Such hedging activities may negatively affect the market price, liquidity or value of the Underlying and of the Products and could be adverse to the interests of the Investor. The Issuer (either by itself and/or through any of its Affiliates or unaffiliated third parties) may pursue such hedging or related derivatives activities and take such steps as it deems necessary or appropriate to protect its interests without taking into account the interests of the Investor.

5.4 Risk factors relating to the Issuer

The Issuer is exposed to a variety of risks that could adversely affect its results of operations, financial condition and prospects. In case one or more of these risks materialises, the Issuer may not be able to fulfil all or a part of its obligations under the Products and investors in the Products could lose all or a part of their investment in the Products.

5.4.1 Credit risk

The Issuer is exposed to the risk that third parties that owe the Issuer money, securities or other assets default on their payment or other obligations. Lending represents an important part of PKB's activities and, although a potentially significant portion of the relevant loans may be secured, it is possible that the loans would be or become under-collateralised, for example as a result of sudden declines in market values of the collateral. The Issuer may suffer significant losses on its loan portfolio, which may have a material adverse effect on the Issuer's results of operations and financial condition.

5.4.2 Liquidity risk

Liquidity is critical to the Issuer's ability to fulfil its obligations and fund and operate its businesses. The Issuer's liquidity could be impaired at any given time by factors such as:

- market-wide illiquidity or disruption;
- unforeseen cash or capital requirements;
- unanticipated outflows of cash or collateral;
- unexpected loss of customer deposits caused by changes in customer behaviour; and
- lack of customer confidence in the Issuer or financial institutions in general.

A diminution of the Issuer's liquidity may be caused by events over which it has little or no control. Failure by the Issuer to effectively manage its liquidity, or significant external liquidity shocks may materially affect the Issuer's results of operations, financial condition and, ultimately, threaten its ability to continue as a going concern.

5.4.3 Commercial risk

The Issuer's results of operation depend, to a significant extent, on factors such as the returns realized by its clients on their investments as well as its ability to attract new money inflows. Weak investment performance in the financial markets, in general, will negatively affect the value of the assets the Issuer manages for its clients and may lead to a decline in the Issuer's revenues and profitability. In addition, clients experiencing lower than expected returns on investments offered or recommended by the Issuer relative to investment solutions offered by its competitors could lead to a decline in assets under management and, hence, a significant reduction of the Issuer's results of operations and, ultimately, threaten its ability to continue as a going concern.

5.4.4 Operational risk

The Issuer is exposed to operational risks. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, external events or fraud. It includes the risk of unexpected losses from isolated events, caused for example by faulty information systems, unsuitable organisational structures or deficient control mechanisms. The Issuer is subject to a number of operational risk types including information security and data privacy risk, technology risk, third party management risk, people management risk, model risk, business continuity risk and infrastructure risk as well as processing and settlement risk.

The information security risk is deemed one of the most substantial risks for the Issuer. For banks in particular, the loss of confidentiality, availability or integrity would deprive the institution from being able to serve its clients. In particular, for a private bank such as the Issuer, trust of its clients is most important to be able to maintain its franchise.

A further risk type considered being of importance is fraud risk. Fraud attempts, committed by external third parties range from e.g. payment fraud, social engineering to asset misappropriation and alike. Fraud risk also includes misconduct or improper practice by the Issuer's employees. Such fraud, misconduct and improper practice could involve, for example,

fraudulent transactions entered into for a client's account, the intentional or inadvertent release of confidential customer information or failure to follow internal procedures.

The Issuer relies heavily on its financial, accounting and other data processing systems. If any of these systems were not to operate properly or were disabled including due to a systems malfunction, cyber breach or attack or other systems failure, the Issuer could suffer, among other things, financial loss, liability to clients, loss of client confidence, regulatory intervention and/or reputational damage. Therefore, the realisation of operational risks could have a material adverse effect on the Issuer's profitability and results of operations and, ultimately, threaten its ability to continue as a going concern.

5.4.5 Key employees risk

The Issuer's business model relies heavily on experienced client relationship managers attracting and retaining clients. As a result, the Issuer's ability to recruit and retain experienced relationship managers, and, in turn, the relationship managers' ability to attract and retain clients, is central to the Issuer's ability to maintain and increase its assets under management and revenues. The employment agreements the Issuer has with its employees, including key management and client relationship managers, does not or does not always contain non-compete clauses, and therefore, key employees may be permitted from engaging in competing business activities as soon as they cease to be employed by the Issuer.

Loss of client relationship managers could cause a loss of clients and potentially significant outflows. If the Issuer is unable to replace these relationship managers and avoid client losses, the Issuer's profitability and results of operations may be materially affected, which may ultimately threaten its ability to continue as a going concern.

5.4.6 Strategic risk

The Issuer operates in a highly complex environment and is exposed to new and existing competitors. To remain profitable in such market conditions, the Issuer expects that an effective strategy will be needed. There can however be no assurance that the Issuer's strategic choices (including with respect to products to offer, distribution channels, geographies in which to operate and the type of clients to serve) will prove effective to allow the Issuer to remain profitable. Should the Issuer fail to implement an effective strategy, the Issuer's profitability and results of operations may be materially affected, which may ultimately threaten its ability to continue as a going concern.

5.4.7 Legal risk

The Issuer operates in a highly regulated industry. The legal and regulatory framework for the Issuer's activities have significantly evolved in recent years. Sudden and significant changes to such framework may still be forthcoming and may significantly affect the way the Issuer is required to conduct its business to remain in compliance with applicable laws and regulatory guidance. Implementing these changes may incur significant additional costs for the Issuer, which may materially affect the Issuer's profitability and results of operations and, ultimately, threaten its ability to continue as a going concern.

6 THE ISSUER

6.1 General information

6.1.1 Incorporation and duration

The Issuer, PKB Private Bank SA, is a stock corporation (*Aktiengesellschaft / società anonima*) according to Article 620 et seq. of the Swiss Code of Obligations. The Issuer was incorporated on 30 November 1990 for an unlimited duration. PKB Private Bank SA is

registered in the Commercial Register of the Canton of Ticino, Switzerland, under the number CHE-105.839.708. The Articles of Association of the Issuer are dated 26 October 2022.

6.1.2 Registered office

The registered office of the Issuer is Via Serafino Balestra 1, 6900 Lugano.

6.1.3 Statutory auditors

The Issuer's statutory auditors are Deloitte AG, Lugano branch, Via Ferruccio Pelli 1, 6900 Lugano.

6.1.4 Purpose

According to Article 2 of the Articles of Association of the Issuer (unofficial translation from the Italian original):

"The purpose of the company is to carry out banking operations of any kind, in the sense of a universal bank. Its field of activity extends to the national territory and abroad. The activity, for third parties, includes in particular:

- the acceptance of third party funds in all forms of banking consuetudes,*
- the granting of credits, guaranties and sureties, with or without collateral,*
- the services of payment and collection,*
- the stock exchange transactions, as well as the buying and selling of over-the-counter securities,*
- the buying and selling of foreign currencies,*
- the buying and selling of precious metals and of gold currencies,*
- the consulting in investments, the wealth management, as well as legal and tax consulting,*
- the custody of securities and other valuables,*
- the fiduciary transactions.*

The company can also on its own account:

- invest funds with other banks,*
- contract debts,*
- buy and sell securities for the use of its own means,*
- buy and sell foreign currencies, precious metals and gold currencies,*
- participate to the issuance and the subscription of loans,*
- buy and sell holdings in other companies, also participating to their constitution,*
- buy and sell real estate and encumber it with mortgages.*

The company can also exercise all the activities that are suitable to promote or facilitate the evolution of the company and the achievement of the corporate purpose."

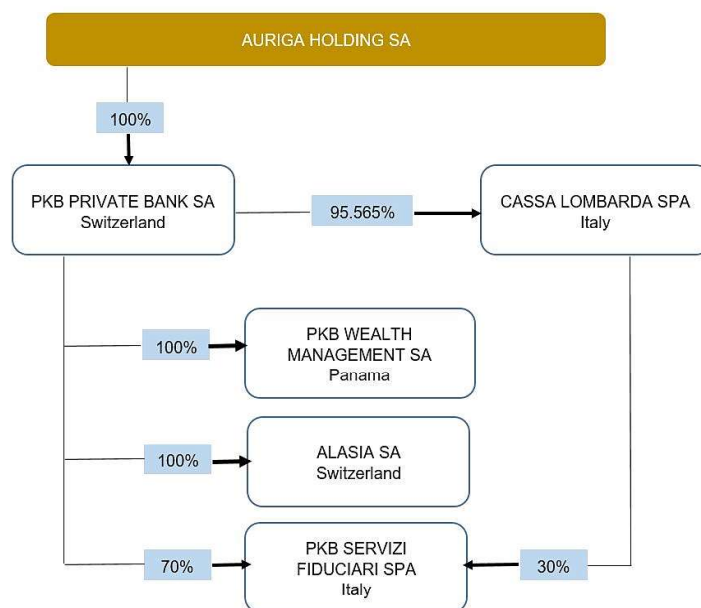
6.1.5 Regulatory status

The Issuer is authorized as a bank pursuant to the Swiss Banking Act and subject to prudential supervision by FINMA.

6.1.6 Group structure

The Trabaldo Togna family is the sole shareholder of the PKB Group, responsible for setting the targets, strategic guidelines and long-term vision through the holding company, Auriga Holding SA. Auriga Holding SA holds 100% of the Issuer's shares and, through it, a 99.6% stake in Milan-based private bank Cassa Lombarda SpA. The Issuer also holds the entire share capital of PKB Wealth Management SA in Panama and Alasia SA in Lugano. With Cassa Lombarda, the Issuer controls 100% of Italian fiduciary services company PKB Servizi Fiduciari SpA in Milan. The Issuer also manages the Planetarium Fund, a Luxembourg SICAV with approximately EUR 1 billion in assets.

Organizational chart as at 31 December 2023



6.2 Board of Directors and Executive Committee

The Board of Directors is responsible for the management of the Issuer's business.

Under Swiss company law, the board of directors has the following non-transferable and inalienable duties: (i) overall direction of the company and issuing the necessary directives; (ii) determining the way the company is organized; (iii) appointing and dismissing the persons entrusted with management and representation and determining the method of signature; (iv) ultimate supervision of the persons entrusted with company management; (v) organisation of accounting, financial control and financial planning, to the extent that the latter is necessary for management of the company; (vi) drawing up the annual report; (vii) preparing for the general meeting and executing its decisions, and (viii) notifying the judiciary should the company become over-indebted.

At the date of this Base Prospectus the Board of Directors comprises of the following members (including the Chairman) all of whom are non-executive directors:

Name	Position held
Umberto Trabaldo Togna	Chair
Massimo Trabaldo Togna	Vice-Chair
Francesco Bellini Cavalletti	Director
Jean-Blaise Conne	Director
Marina Natale	Director
Giovanni Vergani	Director
Stefano Veri	Director

Subject to the organisational regulations of the board of directors and mandatory law, the Board of Directors of the Issuer has delegated the Issuer's operational management to the Executive Committee. At the date of this Base Prospectus the Executive Committee comprises the following members:

Name	Position held
Luca Venturini	Chief Executive Officer (CEO)
Michele Balice	Executive Vice President
Fabrizio Cerutti	Executive Vice President
Peter Conrad	Executive Vice President
Marco Malcontenti	Executive Vice President
Monica Malnati	Executive Vice President
Lorenzo Tavola	Executive Vice President

The business address of the members of the Board of Directors and of the Executive Committee of the Issuer is c/o PKB Private Bank SA, Via Serafino Balestra 1, 6900 Lugano.

6.2.1 Related party transactions

The related party transactions can be found in the Issuer's 2023 annual report on page 61 (table 3.14). Since its publication, the Issuer has not granted any loans or guarantee commitments to members of the Executive Committee or to the members of the Board of Directors.

6.2.2 Business activities

PKB Private Bank SA is a bank with registered office in Lugano, Switzerland. Its main activity is private banking, an area in which it offers a wide range of services, in addition to corporate banking and capital markets services.

PKB Private Bank SA and its subsidiaries (the "**PKB Group**") maintain presence in several jurisdictions, in particular Switzerland, Italy and Panama.

As of 31 December 2023, the PKB Group's assets under management were of approximately CHF 10.7 billion.

6.2.3 Outlook and recent developments

In 2023, PKB entered into an agreement to purchase 60% of an asset manager. As of the date hereof, the closing of this acquisition has not taken place and is in the process of being authorized by FINMA. Once completed, the acquisition would allow PKB Group to increase its assets under management by approximately CHF 0.7 bn. Furthermore, as part of a broader project to reorganize PKB Group's investment in Anthilia Capital Partners SGR S.p.A. ("**Anthilia**"), on 26 July 2023:

- PKB completed the sale of 157,984 Anthilia ordinary shares, representing 2.5% of Anthilia's share capital, for a consideration of EUR 0.8 million, to Anthilia Capital Partner SGR S.p.A.
- PKB entered into an agreement relating to the sale of its remaining 411,454 ordinary shares in Anthilia (representing 6.51% of Anthilia's share capital) to Cassa Lombarda S.p.A.

Except as may be described above, since the end of the last financial year, there has been no material change in the Issuer's assets, financial or revenue position.

For 2024, PKB expects to capitalize on its strength to generate sustainable growth, for example by leveraging its new "Wealth Solutions" department, expanding its product and solutions range and continuing to invest in human capital and technology to continue to deliver

personalized service to clients in the markets where the PKB Group is active. The 1st quarter 2024 showed solid results and strong liquidity and capital ratios predicting a positive profit in 2024 fiscal year. Such outlook is inherently uncertain, as the actual performance of the PKB Group depends on a number of factors, a number of which are beyond the PKB Group's control.

6.2.4 Legal, administrative and arbitration proceedings

The Issuer and the PKB Group are from time to time involved in legal, administrative and/or arbitration proceedings.

6.3 As of the date thereof, the only criminal proceedings that was opened against PKB, has been definitively concluded. Capital structure

6.3.1 Share capital

As at the date hereof, the share capital of the Issuer amounts to CHF 20'000'000 divided into 20'000 registered shares with a par value of CHF 1'000 each; the shares are fully paid-in. As of the date hereof, the Issuer has neither outstanding conditional capital nor outstanding authorised capital.

6.3.2 Outstanding debt securities

The Issuer does not have any bonds or other debt securities outstanding. The Issuer does not have significant financial debts.

6.3.3 Own shares

As of the date of this Base Prospectus, the Issuer does not hold any own shares.

7 DOCUMENTS INCORPORATED BY REFERENCE

Reference is made to the following audited annual reports / financial statements which are incorporated by reference into this Base Prospectus:

- the 2022 Annual Report of the Issuer;
- the 2023 Annual Report of the Issuer.

Save as disclosed herein, there has been no material change in the financial position of the Issuer since the publication of the Issuer's annual report for the period ending 31 December 2023.

Unless stated otherwise herein, information on any website directly or indirectly linked thereto or any other website mentioned in this Base Prospectus does not constitute in any way part of this Base Prospectus and is not incorporated by reference into this Base Prospectus.

8 PRODUCT DESCRIPTION

8.1 General information about the Products

The structured products that may be issued under this Base Prospectus are generically referred to as "Products" without expressing any views as to their particular features, mechanics or legal qualification. The main categories of Products that may be issued under this Base Prospectus are set out below.

The below listed product categories and products features are based on the categories and additional product features used in the "SSPA Swiss Derivatives Map 2024" issued by the Swiss Structured Products Association SSPA (see <https://sspa.ch/en>). The product categories and products features are not universal and, in different markets and jurisdictions, different products categories and product features may be used for the same Products. Further, the SSPA Swiss Derivatives Map only describes products in broad terms, Investors should therefore review the Issue Terms of each Product carefully, regardless of its classification on such map.

The Products issued under this Base Prospectus may be linked to one or more underlying assets, such as a share, an index, a fund, a foreign exchange rate, a commodity, an interest rate, a bond, a futures contract, a crypto currency or a reference obligation or any other asset. The performance of the Products may depend to varying degrees on the performance of such underlying asset(s).

Products issued under this Base Prospectus may have characteristics, which partially or significantly deviate from those of the main product categories described below.

8.2 Product types

The main categories of Products that may be issued under this Base Prospectus are described below. The Issuer may issue Products with characteristics, which deviate from those described in the following paragraphs and the Products that may be issued under this Base Prospectus may have other or additional features and may be modified, in each case as set out in the relevant Issue Terms. Additional information on the Products, including a description of the particular Products will be included in the relevant Final Terms.

The Products issued under this Base Prospectus may belong to one of the following product type.

8.2.1 Capital protection products (SSPA category 11)

Products of SSPA category 11 (referred to as "**capital protection products**") provide for a specific minimum redemption amount. The level of the minimum redemption amount representing the level of capital protection indicates the percentage of the nominal or par value of the capital protection product that the Investor will be entitled to at the Settlement Date.

The Issuer sets the minimum redemption amount at the time of the issuance, though redemption takes place only at the end of a specified term or at maturity. The Issuer may set the level of the minimum redemption amount representing the level of capital protection below 100% of the nominal or par value of the capital protection products (partial capital protection). Capital protection therefore does not mean that the Investor is entitled to a redemption amount equal to the full nominal or par value of the capital protection products. The potential loss is limited by the minimum redemption amount, subject to the credit risk of the Issuer.

The product category "capital protection products" includes the following product types:

- capital protection note with participation (SSPA category 1100)
- capital protection note with barrier (SSPA category 1130)

- capital protection note with twin win (SSPA category 1135)
- capital protection note with coupon (SSPA category 1140)

8.2.2 Capital protection notes with participation (SSPA category 1100)

Products in SSPA category 1100 (referred to as "**capital protection notes with participation**") are primarily targeted at investors that (i) expect the value of the Underlying and its volatility to increase (or, in the case of Product with Downside Participation, the value of the Underlying to decrease) but (ii) consider a sharp decrease of the value of the Underlying to be possible (or, in the case of Product with Downside Participation, a sharp increase of the value of the Underlying).

Capital protection notes with participation allow Investors to participate in the performance of the Underlying. If the value of the Underlying has developed favorably (*i.e.* if the value of the Underlying has increased or, in the case of a Product with Downside Participation, decreased), the return will exceed the minimum redemption amount.

8.2.3 Barrier capital protection certificate (SSPA category 1130)

Products in SSPA category 1130 (referred to as "**capital protection notes with barrier**") are primarily targeted at Investors that (i) expect the value of the Underlying to increase (or, in the case of a Product with Downside Participation, to decrease) but (ii) consider a sharp decrease of the value of the Underlying to be possible (or, in the case of a Product with Downside Participation, a sharp increase of the value of the Underlying) and (iii) expect that the value of the Underlying will not increase above (or, in case of a Product with Downside Participation, fall below) the specified barrier throughout the term of such Product.

Capital protection notes with barrier allow Investors to participate in the performance of the Underlying up (or, in case of a Product with Downside Participation, down) to such barrier. If the value of the Underlying has developed favorably (*i.e.* if the value of the Underlying has increased or, in case of a Product with Downside Participation, decreased), the return will exceed the minimum redemption amount of the Product, unless the barrier is breached. If the barrier is breached, the redemption amount will be reduced, either to the minimum redemption amount or by a rebate.

8.2.4 Capital protection note with twin-win (SSPA category 1135)

Products in SSPA category 1135 (referred to as "**capital protection notes with twin-win**") are primarily targeted at Investors that (i) expect the value of the Underlying to slightly increase or fall but (ii) consider a sharp decrease of the value of the Underlying to be possible and (iii) expect that the value of the Underlying will not increase above a specified upper barrier and not fall below a specified lower barrier throughout the term of the Product. Capital protection notes with twin-win typically allow Investors to participate in the absolute performance (positive as well as negative performance) of the Underlying within the upper and lower barrier. If the value of the Underlying has developed favorably (*i.e.* if the value of the Underlying has increased or decreased but not breached either of the barriers), the return will exceed the minimum redemption amount of the Product but is limited by the level of the upper and lower barrier, respectively. In case of a breach of a barrier, the redemption amount will be reduced, either to the minimum redemption amount or by a rebate.

8.2.5 Capital protection notes with coupon (SSPA category 1140)

Products in SSPA category 1140 (referred to as "**capital protection notes with coupon**") are primarily targeted at Investors that (i) expect the value of the Underlying to increase (or, in the case of Products with Downside Participation, the value of the Underlying to decrease) but (ii) consider a sharp decrease of the value of the Underlying to be possible (or, in the case of Products with Downside Participation, a sharp increase of the value of the Underlying).

Capital protection notes with coupon allow Investors to participate in the performance of the Underlying by receiving a periodic coupon payment. The amount of the coupon payment may be fixed or may be variable and depend on the value of the Underlying at a specific date prior to each coupon payment date (variable coupon). In case of a variable coupon, the amount of the coupon payment increases (or, in case of a Product with Downside Participation, decreases) if the value of the Underlying has developed favorably (*i.e.* if the value of the Underlying has increased or, in case of a Product with Downside Participation, decreased). In case of capital protection notes with coupon with a fixed coupon, the payment of the coupon may depend on the value of the Underlying not breaching a specified barrier (coupon at risk). If such barrier is breached, the Investor will not be entitled to a coupon payment on the relevant coupon payment date.

8.3 Tracker certificates (SSPA category 1300)

Products in SSPA category 1300 (referred to as "**tracker certificates**") are primarily targeted at investors that expect the value of the Underlying to increase (or, in the case of Products with bear feature, to decrease). Tracker certificates allow an investor to participate in the performance of one or more Underlyings, which can be equally or unequally weighted. The profit and loss potential of tracker certificate corresponds largely to that of the Underlyings and is (theoretically) not limited, unless there is a cap or partial capital protection.

Tracker certificates also offer the possibility that the Underlying or the composition of the Underlying basket is managed dynamically, *i.e.* discretionary or rule-based according to predefined investment guidelines. All types of tracker certificates have in common that they are risky investment instruments.

Tracker certificates may have a maturity date or be open-ended:

- certificates with a maturity generally entitle the holder to payment of the redemption amount on the maturity date. The redemption amount depends to a large extent on the performance of the Underlying. The redemption amount is determined pursuant to the Issue Terms and the calculation method may depend on several factors (*e.g.* management fee or foreign exchange conversion).
- certificates without a maturity, *i.e.* open-ended certificates, do not entitle their holder to a payment on a pre-determined date. Rather, these instruments generally contemplate certain exercise rights, granting the Investor and the Issuer the right to redeem the Product at certain conditions. Upon such rights being exercised, the Issuer will be required pay a redemption amount to the Investor. The redemption amount also depends to a large extent on the performance of the Underlying, though there may be several calculation methods, as specified in the Issue Terms.

9 GENERAL TERMS AND CONDITIONS

The following General Terms and Conditions are applicable to all Products issued under this Programme by the Issuer and shall be read jointly with the Underlying Specific Conditions, as well as the relevant Issue Terms (the General Terms and Conditions together with the relevant Underlying Specific Conditions and the Issue Terms, the "**Conditions**"). Any references to a Condition shall be deemed to be a reference to the relevant section of the General Terms and Conditions.

In case of any inconsistencies between the Issue Terms and any other parts of the Conditions, the Issue Terms shall prevail. In the event of any inconsistencies between the General Terms and Conditions and the Underlying Specific Conditions, the Underlying Specific Conditions shall prevail.

In these Conditions, where the Issuer, Calculation Agent or any other person acting on behalf of the Issuer exercises a discretion under any Products, it shall (unless the context requires otherwise) do so in its duly exercised discretion (*billiges Ermessen*).

The Investors are deemed to have been notified and to have accepted of all the provisions of this Programme and the Issue Terms, as applicable.

9.1 Status

The Products constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with each and all other current and future unsubordinated and unsecured obligations of the Issuer.

9.2 Form

The Products will be issued in (i) the form of a global certificate pursuant to Article 973b CO or (ii) in uncertificated form in accordance with Article 973c CO as uncertificated securities.

The uncertificated securities will be created by the Issuer by means of a registration in a register of uncertificated securities maintained by the Issuer or the Paying Agent on behalf of the Issuer.

If "Intermediated Securities" is specified in the relevant Issue Terms, the global certificate will be deposited with SIX SIS as custodian or any other custodian specified in the relevant Issue Terms and the uncertificated securities will be entered into the main register of SIX SIS as custodian or any other custodian specified in the relevant Issue Terms, as applicable, and will, by operation of Swiss law, constitute intermediated securities ("**Intermediated Securities**").

Investors shall not have the right to effect or demand the conversion of the Products issued (i) as uncertificated securities into, or the delivery of, a global certificate or definitive securities or (ii) in the form of a global certificate into, or the delivery of, a definitive securities. The Issuer may convert global certificates into uncertificated securities and vice versa at any time and without the consent of the Investors.

9.3 Transfer and transfer restrictions

In the case of Products qualifying as Intermediated Securities, (i) the Holder is a person holding any such Products in a securities account that is in such person's name or, in the case of a custodian, each custodian holding any such Products for its own account in a securities account that is in such custodian's name (and the expression "Holder" as used herein shall be construed accordingly), and (ii) such Products may only be transferred by the entry of the transferred Products in a securities account of the transferee.

In case of Products in the form of certificated or uncertificated securities that are not Intermediated Securities, the Products may only be transferred to the Issuer, unless otherwise specified in the relevant Issue Terms.

9.4 Issue size, calculations and publication

9.4.1 Issue size

The Products are issued in the issue size specified in the Issue Terms. The Issuer reserves the right to reopen and increase the issue size at any time and without prior consultation or permission of the Investors through the issuance of further Products which will be fungible with the relevant Products (*i.e.* identical in respect of the Issue Terms, and security number).

9.4.2 Denomination and trading unit

Unless otherwise indicated in the Issue Terms, the Products cannot be traded in smaller increment than their denomination.

9.4.3 Rounding

For the purposes of any calculations required pursuant to the Conditions, unless otherwise specified in the Issue Terms or in the Conditions:

- a. all percentages resulting from calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up);
- b. all currency amounts in Swiss francs used in or resulting from calculations will be rounded to the nearest cent (with halves being rounded up); and
- c. all amounts denominated in any other currency used in or resulting from any calculations will be rounded to the nearest two decimal places in such currency (with halves rounded up).

9.4.4 Determinations of the Issuer and/or Calculation Agent

All determinations made by the Issuer and/or Calculation Agent pursuant to the Conditions shall be conclusive and binding on the Holders and the Paying Agent, except in the case of manifest error.

9.4.5 Corrections

If the Issuer or the Calculation Agent have relied or made use of a price communicated by or derived from data from a third party (e.g. the Closing Price of an Underlying communicated by the Reference Market) in relation to any Product and such price is later corrected by the third party, the Issuer and/or the Calculation Agent shall be entitled to make such adjustments to the terms and conditions of the Product to take into account the corrected price.

9.4.6 Business Day Convention

If any date scheduled to make a payment under the Products falls on a calendar day which is not a Business Day then (unless otherwise specified in the relevant Issue Terms):

- a. if the Business Day Convention specified in the relevant Issue Terms is "Following", such date shall be postponed to the next following calendar day which is a Business Day;
- b. if the Business Day Convention specified in the relevant Issue Terms is "Modified Following", such date shall be postponed to the next following calendar day which is a Business Day unless that calendar day falls in the next calendar month, in which case such date will be brought forward to the immediately preceding calendar day that is a Business Day; and
- c. if the Business Day Convention specified in the relevant Issue Terms is "Preceding", such date will be brought forward to the immediately preceding calendar day which is a Business Day.

9.4.7 Day Count Fraction

The Calculation Agent shall calculate the Day Count Fraction for a relevant period as follows:

- a. if "Actual/365", "Act/365", "A/365", "Actual/Actual" or "Act/Act" is specified in the relevant Issue Terms, the actual number of days in such period in respect of which payment is being made divided by 365 (or, if any portion of that period falls in a leap year, the sum of (i) the actual number of days in that portion of such period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of such period falling in a non-leap year divided by 365);

- b. if "Actual/365 (Fixed)", "Act/365 (Fixed)", "Act/365 Fixed" or "Act/365F" is specified in the relevant Issue Terms, the actual number of days in such period in respect of which payment is being made divided by 365;
- c. if "Actual/360", "Act/360" or "A/360" is specified in the relevant Issue Terms, the actual number of days in such period in respect of which payment is being made divided by 360;
- d. if "30/360", "360/360" or "Bond Basis" is specified in the relevant Issue Terms, the number of days in such period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of such period is the 31st day of a month but the first day of such period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of such period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- e. if "30E/360" or "Eurobond Basis" is specified in the relevant Issue Terms, the number of days in such period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of such period unless, in the case, such period ends on the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

If the first and/or last day of a period in respect of which an interest amount is to be calculated would fall on a day that is not a Business Day, then solely for purposes of calculating the applicable Day Count Fraction (and the payable under the Products), such day shall:

- (i) if "Unadjusted" is specified in the relevant Issue Terms, not be adjusted in accordance with the applicable Business Day Convention; and
- (ii) if "Adjusted" (or neither "Adjusted" or "Unadjusted") is specified in the relevant Issue Terms, be adjusted in accordance with the applicable Business Day Convention.

9.4.8 Indicative amounts

If the Products are being offered by way of a public offer, certain values relevant for the Products (including the issue price) may not be fixed or determined at the commencement of the offer period, the Issue Terms may specify an indicative amount for such values. The Issuer is not bound by these indicative amounts.

9.4.9 Payments

Unless otherwise provided for in the applicable Issue Terms:

- a. any payment in respect of Products in the form of Intermediated Securities will be made, subject to applicable fiscal and other laws and regulations, to the Clearing System or the relevant intermediary or to its order for credit to the accounts of the relevant account holders of the Clearing System or the relevant intermediary in accordance with applicable laws and regulations and the rules and regulations of the relevant Clearing System;
- b. any payment in respect of Products not in the form of Intermediated Securities will be made to the Holder on the account held by the Holder with the Issuer on which the Products are or were credited or, if the Holder is an intermediary, on the account communicated by the Holder to the Issuer at the time of subscription;

- c. any payment in respect of the Products is subject to deduction and/or conditional upon payment by the Holder of any Taxes or amounts payable by the Holder pursuant to the Conditions. Without limiting the generality of the foregoing, the Issuer is entitled to withhold or deduct from any amount payable to the Holder such amount as is necessary for the payment of any Taxes or fees which are due by the Issuer or the Holder in connection with a Product;
- d. if any interest payment would be due less than 10 Business Days before the Redemption Date, the Issuer may postpone the interest payment so that any foreign currencies to be paid or delivered to the Holders under the relevant Products will only be paid or delivered to Holders that maintain a foreign currency account. Should the relevant Holder not maintain such account, neither the Issuer nor the Paying Agent will have any obligation to pay any cash amounts or deliver any substitute amount to such Holder in lieu of such foreign currencies.

Payments by the Issuer and the Paying Agent will be subject in all cases to all applicable tax laws and other laws, regulations and practices in force at such time (including, without limitation, any relevant exchange control laws or regulations) and none of the Issuer, any of its Affiliates, the Clearing System or the Paying Agent shall incur any liability whatsoever if it is unable to effect any payments or deliveries contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices. None of the Issuer, any of its Affiliates or the Paying Agent shall under any circumstances be liable for any acts or defaults of the Clearing System in the performance of their respective duties in relation to payments to Holders.

9.4.10 Record date for interest payments

Payments of interest in respect of Products shall be made to the Holders who are considered as such on the relevant Interest Record Date. Subject to the rules of any Clearing System, the "**Interest Record Date**" is as specified in the Issue Terms, whereby (a) if a number of Business Days is specified in the Issue Terms in relation to the Interest Record Dates, this shall mean that the Interest Record Date is on the date of interest payment, minus the number of Business Days indicated in the Issue Terms, (b) if a date is specified in the Issue Terms as being the Interest Record Date, it shall be the Interest Record Date, and (c) if no indication is provided as to the Interest Record Date, the Interest Record Date shall be two Business Days before the relevant interest amount is to be paid.

9.4.11 Redemption / settlement

(a) Principle and duration

If so specified in the relevant Issue Terms, a Product shall be redeemed or settled, as applicable, on the Redemption Date (subject to any right of the Holders or the Issuer to redeem the Products prior to such a date, if provided in the Issue Terms), and each Product entitles its Holder to receive from the Issuer a Cash Settlement or a Physical Settlement.

Any Cash Settlement or Physical Settlement is due against delivery of the Product to the Issuer.

The Products may have a fixed duration (which will be set in the Issue Terms, as it depends on the specificities of each Product) or be issued without a fixed maturity date (in which case the Issue Terms will provide for a mechanism to terminate the Products, e.g. by way of a call option of the Issuer).

(b) Cash Settlement

If so specified in the Issue Terms, on the Redemption Date (subject to any right of the Holders or the Issuer to redeem the Products prior to such a date, if provided in the Issue Terms), the Issuer shall pay to the Holders a cash amount in the relevant currency as determined and/or

calculated by the Calculation Agent in accordance with the Issue Terms (a "**Cash Settlement**").

The Cash Settlement Amount shall be rounded in accordance with Section 9.4.3. If the Cash Settlement Amount is not expressed in the Settlement Currency, the Cash Settlement Amount will be converted into the Settlement Currency on or before the Redemption Date at an exchange rate determined by the Issuer and/or the Calculation Agent in accordance with sources which they consider, in their discretion, to be appropriate.

The Issuer shall procure that, on the Redemption Date, the Paying Agent shall, subject to the transfer to the Issuer of the Products to be redeemed and receipt of payment of the related taxes and duties, if any, cause the accounts of the Holders to be credited with such amount for value on the Redemption Date. The Issuer shall have validly discharged its obligation to pay the Cash Settlement Amount upon receipt of the relevant amount by the Paying Agent and the Paying Agent shall have validly discharged its obligation to cause the accounts of the Holders to be credited with the Cash Settlement Amount upon (a) such accounts being credited of the relevant amounts, in case the Issuer is also the Paying Agent and the relevant accounts are held with the Issuer, or (b) having paid the Cash Settlement Amount to the Clearing System, with instructions for onward payment to the Holders.

(c) Physical Settlement

The Issue Terms may provide that, in lieu of a Cash Settlement, the Product shall be (or may be) subject to a physical settlement, *i.e.* to the delivery of the Underlying or Basket Component or other underlying constituent in lieu of a payment (a "**Physical Settlement**").

If a Physical Settlement is due or permitted to take place, the Issuer or the Paying Agent shall, on the delivery date specified in the relevant Issue Terms, deliver or cause the delivery of the relevant Underlying, Basket Component or other underlying constituent of the Products to be delivered in accordance with the relevant Issue Terms to the respective Holders for value on the relevant delivery date. The Issuer shall be deemed to have satisfied its obligation to deliver the relevant instruments upon the earlier of (a) delivery of the instruments to the Clearing System, in case of Intermediated Securities, (b) delivery of the instruments to any intermediary with which the Holder maintains an account, and (c) delivery to an account of the Holder.

Where the Issuer would be obliged to deliver any fraction of an Underlying, Basket Component or another underlying constituent or component of the Products, the Holders will receive, instead of such fraction of an Underlying, Basket Component or other underlying constituent or component of the Products, a residual cash amount which corresponds to the value of the respective fraction, it being understood that such residual cash amount shall be determined by the Issuer and/or the Calculation Agent in its discretion. When determining whether the Issuer would be obliged to deliver any fraction of an Underlying, Basket Component or other underlying constituent or component of the Products, the relevant Issuer and/or the Calculation Agent may (but is not obliged to) aggregate the respective Holder's entire holdings.

No delivery and/or transfer of the relevant Underlying, Basket Component or other underlying constituents or components of the Products to be delivered shall be made until all Delivery Expenses arising from the respective delivery and/or transfer have been paid to the satisfaction of the Issuer by the relevant Holder. To facilitate its delivery obligations, the Issuer shall have the right, but no obligation, to divide any Underlying, Basket Component or other underlying constituents or components of the Products into such number of lots of such size as it deems appropriate.

If the delivery of an Underlying, Basket Component or other underlying constituent or component of the Products is not reasonably possible on the relevant delivery date, the Issuer has the right to pay a cash amount corresponding to the value of the Underlying on the relevant delivery date, such cash amount to be determined by the Issuer or the Calculation Agent in its discretion.

(d) Capital protection

Even if the Issue Terms provide a minimum redemption amount or capital protection, no capital protection will be provided for Products that are redeemed prior to their maturity date, including in the case of a redemption following the occurrence of an early termination event pursuant to Section 9.11. In addition, in the event of a Physical Settlement, the Issuer does not guarantee that the value of the Underlying Assets or Basket Components to be delivered to the Holder will be equal to or higher than the minimum redemption amount or capital protection.

Even if the Issue Terms specify a minimum redemption amount or a capital protection, nothing in such Issue Terms (or in this Base Prospectus) shall be construed to mean that the Products are secured or that the Holders do not bear the credit risk of the Issuer.

9.5 Adjustments

9.5.1 Settlement Disruption Event

If the Issuer or the Paying Agent reasonably determines that a Settlement Disruption Event has occurred and is continuing on any date on which a payment or delivery under the Products is due to be made, then (a) the relevant due date shall be postponed to the first Business Day following the day on which the Settlement Disruption Event ceases to continue and (b) the Issuer shall give a notice to the Holders describing the relevant Settlement Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the relevant due date provided for in (a) above).

Notwithstanding the above:

- (a) where a Settlement Disruption Event affects some but not all of the relevant payments or assets that are due to be made or delivered, the payments or deliveries which are not affected by the respective Settlement Disruption Event will be unadjusted and the due date with respect to such payments or deliveries shall be the originally designated due date; and
- (b) following the occurrence of a Settlement Disruption Event, the Issuer may elect in its discretion to satisfy and discharge its obligations in respect of the relevant Products in such way as it is reasonably practicable in lieu of the scheduled settlement.

Notwithstanding any provisions to the contrary, (i) any payments made in accordance with this Section shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Issuer or any Agent in connection with or arising from the resolution of the relevant Settlement Disruption Event and (ii) in any case a Settlement Disruption Event leads to a postponement of a scheduled payment date or any delivery under the Products, the relevant Issuer shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer. The Holders will not be entitled to any compensation from the Issuer or any Agent or any of their respective Affiliates for any losses suffered as a result of the occurrence of a Settlement Disruption Event.

9.5.2 FX Disruption Event

If the relevant Issuer and/or the Calculation Agent reasonably determines that a FX Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of any Underlying, any Basket Component or any underlying constituent or component of the Products, then (a) the relevant date shall be postponed to the first Business Day following the day on which the FX Disruption Event ceases to continue and (b) the relevant Issuer shall give a notice to the Holders describing the relevant FX Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of the postponement of the relevant due date provided for in (a) above). In the case of such

postponement, any payment(s) or delivery/-ies under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Business Day following the date which the FX Disruption Event ceases to continue.

Notwithstanding any provisions to the contrary, (i) any payments made in accordance with this Section shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the relevant Issuer or any Agent in connection with or arising from the resolution of the relevant FX Disruption Event and (ii) in any case an FX Disruption Event leads to a postponement of a scheduled payment date or any delivery under the Products, the relevant Issuer shall not be obliged to pay any interest or other amounts due to such postponement and such postponement shall not constitute an event of default in respect of the Issuer. All determinations made by the relevant Issuer or the Paying Agent pursuant to this Section shall be conclusive and binding on the Holders and the Issuer. The Holders will not be entitled to any compensation from the Issuer or any Agent or any of their respective Affiliates for any losses suffered as a result of the occurrence of a FX Disruption Event.

9.6 Actively managed Products

If indicated in the Issue Terms, the Underlying or Basket Components of a Product may be actively managed, *i.e.* a manager or index sponsor may be entitled to make changes to the Underlying or Basket Components in line with a dynamic investment strategy implemented on a discretionary basis. In such a case, the Issue Terms will indicate (i) the main terms of the investment strategy, (ii) the identity of the index sponsor or manager (including whether it holds a regulatory license), (iii) indications on fees paid to the index sponsor or manager, (iv) indications as to where the investment strategy can be reviewed in further details, and (v) indications as to where the updated composition of the Underlying / Basket Components can be reviewed.

9.7 Early termination

9.7.1 Early Termination Events

The Issuer shall have the right to terminate all or, as the case may be, certain Products in any of the following circumstances (each an "**Early Termination Event**"):

- 1) if compliance by the Issuer with the obligations under the Products or any arrangements made to hedge the Issuer's obligations have become unlawful or impossible in whole or in part, in particular as a result of compliance by the Issuer with any applicable present or future law, rule, regulation, judgement, order, or directive of any governmental, administrative, legislative or judicial authority or power or controlling authority or of the relevant competent market authorities,
- 2) upon the occurrence of an Increased Cost of Hedging;
- 3) upon the occurrence of a Hedging Disruption;
- 4) in case of Changed Secured Financing Ability;
- 5) upon a Tax Event; or
- 6) in case the Issuer determines that the Product has a Negative Value.

9.7.2 Consequences of Early Termination Events

If an Early Termination Event occurs, the Issuer is authorized (but not required) to redeem the affected Products by notice to the Holders.

Subject to applicable fiscal or other laws and regulations, if the relevant Issuer chooses to redeem the Products early in accordance with this Section, the Issuer shall redeem all Products of a given series on the fifth Business Day (or such other number of Business Days

as specified in the relevant Issue Terms or the notice of early termination) after the notice of early termination has been published (the "**Early Redemption Date**") and shall pay or cause to be paid the Unscheduled Early Redemption Amount in respect of each Product (in each case together with any accrued interest in the case of interest bearing Products) to the Holders for value on the Early Redemption Date.

Instead of paying a cash amount corresponding to the Early Redemption Amount, the Issuer may in its discretion decide to deliver to the Holders any Underlying or Basket Component of the respective Products. Payments of any applicable Delivery Expenses will be made by the relevant Holder and the Issuer shall not have any liability in respect thereof. Following the payment of the respective Early Redemption Amount or the delivery of any Underlying or Basket Component of the respective Products, no further amounts will be due to the Holders.

The Issuer shall also have the right of early termination with respect to Products for which there are no (more) holdings outstanding vis-à-vis Investors.

9.8 Agents

The Paying Agent and the Calculation Agent (if applicable) will be specified in the Issue Terms. The Issue Terms may also specify that there are further Agents, whose responsibilities shall be described in the Issue Terms.

With the consent of the Issuer, an Agent may delegate the performance of its obligations and functions to a third party.

The Issuer reserves the right at any time to vary or terminate the order/mandate of any Agent and to appoint another agent provided that, as long as Products are outstanding, it will maintain a Paying Agent. Notice of any such termination of appointment or new appointment of any Agent will be given to the Investors.

The Agents are acting solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. Any determinations, decisions and calculations by any Agent shall (save in the case of manifest error or wilful misconduct) be final and binding on the Issuer and the Holders.

9.9 Secondary market / repurchase of Products

Unless specifically indicated in the Issue Terms, the Products will not be admitted to trading on any trading venue or exchange, there is no secondary market for the Products and the Issuer has not undertaken to create or facilitate any such market. Even if such a secondary market is specified to exist in the Issue Terms, the Issuer does not undertake to ensure that such a secondary market will be active or that it will exist for the duration of the Product. In addition, unless specifically indicated in the Issue Terms, neither the Issuer nor any third party has agreed to act as market maker in relation to the Products.

The Products may also be subject to transfer restrictions that render the existence of any secondary market impossible or highly unlikely. Unless specifically indicated in the Issue Terms, the Issuer has not agreed or undertaken to repurchase Products, to act as or to appoint a third party market maker in relation to the Products and will not publish quotes or prices for the repurchase of any Product.

Upon request of a Holder, the Issuer may nonetheless agree to repurchase Products at an agreed-upon price. Such Products may be held, resold or cancelled or otherwise dealt with.

9.10 Further issues

The Issuer shall also be free to (a) issue further Products, (b) issue investment products outside the scope of the Programme, and (c) generally, take additional (secured or unsecured) debt.

9.11 Events of Default

If any of the following events (each an "**Event of Default**") occurs, any Holder may by written notice to the Issuer declare the Products held by such Holder to be forthwith due and payable, whereupon the Unscheduled Early Redemption Amount of such Products shall become due and payable on the fifth Business Day after such notice, unless such Event of Default has been remedied prior to the receipt of such notice by the Issuer:

- 1) the Issuer does not pay any amount in respect of the Products when such amount is due and payable and such failure continues for 30 calendar days; or
- 2) the Issuer breaches any term and condition of the Products in a way that is materially prejudicial to the interests of the Holders, and that breach has not been remedied within 30 calendar days of the Issuer having received notice thereof from Holders holding at least one-quarter in outstanding nominal amount or number, as the case may be, of the relevant Products demanding remedy; or
- 3) an order is made or an effective resolution is passed for the winding-up of the Issuer (otherwise than in connection with a scheme of reconstruction, merger or amalgamation).

For the purposes of calculating any Unscheduled Early Redemption Amount at any time following an Event of Default, the Calculation Agent will ignore the effect of such Event of Default upon the market value of the Products.

9.12 Default interest

Unless otherwise specified in the relevant Issue Terms, if the Issuer fails to make any payment in respect of the Products when due, interest shall accrue at the default rate of 1% per annum (or such other rate as specified in the relevant Issue Terms) on the due amount from and including the due date to but excluding the day on which such payment is made by the Issuer, it being understood that such payment is deemed to have been made at that time it is made to, or to the order of, the relevant Clearing System or the relevant intermediary or intermediaries.

9.13 Substitution of the Issuer

The Issuer may at any time and without the consent of the Holders, substitute for itself as principal obligor under the Products any person that is (a) a Swiss or foreign Affiliate, (b) another company with which the Issuer consolidates, into which it merges or to which it sells, leases, transfers or conveys all or substantially all its assets, or (c) any branch of such company referred to in (a) and (b) above (any such company or branch, a "**Substitute Issuer**"), provided that:

- 1) the Substitute Issuer assumes all obligations that the relevant Issuer owes to the Holders under or in relation to the Products as set forth in the Base Prospectus and the relevant Issue Terms; and
- 2) all actions, conditions and things required to be taken, fulfilled and done to ensure that the Products represent legal, valid and binding obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect.

As of the fulfilment of the conditions set forth above, the Substitute Issuer assumes in every respect the role of the relevant Issuer and the latter shall be released from any and all obligations in relation to the Holders. Any reference in the Base Prospectus and any relevant Issue Terms to the previous Issuer shall be construed as a reference to the Substitute Issuer and the Base Prospectus and the relevant Issue Terms shall thereupon be deemed to be amended to give effect to the substitution.

Any substitution shall as soon as reasonably possible be notified to the Holders.

9.14 Severability and amendments

In the event any term or condition within these Terms and Conditions or the relevant Issue Terms is or becomes illegal, invalid or unenforceable in any respect under any law and jurisdiction, neither the legality, validity or enforceability of the remaining terms and conditions nor the legality, validity or enforceability of such term or condition under the law of any other jurisdiction will in any way be affected or impaired.

The Issuer shall be entitled to modify or amend the relevant Issue Terms or these Terms and Conditions from time to time without the consent of the Holders in such manner as the Issuer deems necessary, provided that the modifications or amendments:

- a. are of a formal, minor or technical nature;
- b. are made to correct or supplement any defective provisions of the relevant Issue Terms or these Terms and Conditions;
- c. are made to cure any uncertainty or ambiguity;
- d. are made to cure a manifest or proven error;
- e. are made to correct an error or omission if, in the absence of such correction, the relevant Issue Terms or these Terms and Conditions would not represent the intended terms of the Products on which the Products were sold and have since traded; or
- f. will not materially adversely affect the interests of the Holders.

Notwithstanding the above, the Issuer shall at all times be entitled to amend any terms or conditions where, and to the extent, the amendment is necessary as a consequence of legislation, decisions by courts of law, or decisions taken by Governmental Authorities (including, without limitation, any tax ruling of the Swiss Federal Tax Administration) in Switzerland or any other jurisdiction.

Any modification or amendment of the relevant Issue Terms or these Terms and Conditions shall take effect in accordance with its terms and be binding on the Holders, and shall be notified to the Holders (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

9.15 Statute of limitation

Claims for payment in respect of the Products shall be barred by the statute of limitations in accordance with applicable Swiss law, , i.e. within 5 years with respect to the interest payments / coupons and 10 years for other claims relating to the Products.

9.16 Liability

The Issuer is only liable for the amounts due under the Products, including interest until the date of payment on sums not paid when due or assets not delivered when such delivery is due.

Further, none of the Issuer, the Lead Manager or any Agent shall be liable or have any responsibility for:

- indirect, incidental, consequential or other damages (even if advised that such damages may have occurred);
- any errors or omissions or subsequent corrections made in the calculation, determination, communication or publication of any rate, fixing level, amount, event or any other decision required to be made by it in relation to the Products, whether caused by negligence or otherwise (except in case of gross negligence or wilful misconduct);

- any misrepresentation of any third party regarding the Products and/or their Underlying.

9.17 Notices

Notices to Holders shall be valid and binding:

- if published on the webpage specified in the relevant Issue Terms (or any successor webpage); or
- for Products held through accounts with the Issuer, if sent by email to the email address associated with the account or if displayed on the e-banking account interface; or
- if published or dispatched in such other manner as set forth in the Issue Terms.

Any notice so given shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication.

Notices to the Issuer have to be given by delivering such notice in writing to PKB Private Bank SA, Via Serafino Balestra 1, 6900 Lugano (email: secretarygenmgt@pkb.ch).

9.18 Governing law and jurisdiction

The Products are governed by and shall be construed in accordance with Swiss substantive law.

The courts having jurisdiction in Lugano, Switzerland, shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Products.

10 UNDERLYING SPECIFIC CONDITIONS

10.1 Shares as Underlying

The following additional terms apply to all Products with a Share as an Underlying.

10.1.1 Definitions

For the purposes of this Section 10.1:

"Delisting Event" means, in respect of any Share which is the Underlying or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying, that during the lifetime of the Products the relevant Share or Shares cease(s) to be listed, traded or publicly quoted on the Reference Market, provided that no Delisting Event shall be deemed to have occurred if (a) the relevant Share is listed, traded or publicly quoted on a trading venue that is not the Reference Market and (b) the Issuer or the Calculation Agent determines that such other venue can be considered as the Reference Market going forward.

"Extraordinary Event" means, in respect of any Share which is the Underlying or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying, that during the lifetime of the Products:

- a. the person which has issued the relevant Share consolidates, amalgamates or merges with or into another person, including a consolidation, amalgamation or merger following which such person is the surviving entity if the equity holders of such person as of immediately prior to the execution of the merger hold less than 50% of the outstanding Shares as of immediately after execution of the merger;
- b. the relevant Share is subject to a Takeover Event;

- c. the relevant Share is subject to a nationalization, meaning that all the Shares or all or substantially all of the assets of the person issuing the relevant Shares are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or to an entity controlled by a governmental agency or authority;
- d. the relevant Share is subject to an Insolvency Event, or
- e. another event occurs that results in a transfer of or an irrevocable commitment to transfer 50% or more of the Shares that are outstanding as of the time of the event.

"Insolvency Event" means, in respect of any Share, that by reason of a voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting the person issuing the relevant Share (i) all of the Shares are required to be transferred to a trustee, liquidator or similar official or (ii) the shareholders become legally prohibited from transferring the Shares.

"Market Disruption Event" means, in respect of any Share which is the Underlying or, as the case may be, any Share which is part of a Basket of Shares which is the Underlying, and unless otherwise specified in the relevant Issue Terms, the occurrence or existence of any one or more of the following events:

- a. any suspension or material disruption of or material limitation imposed on trading in such Share by the Reference Market or otherwise;
- b. any suspension or material disruption of or material limitation imposed on trading of options or futures referencing such Share on any exchange on which option or futures contracts referencing such Share are traded;
- c. failure by the respective Reference Market or other price source, as applicable, to announce or publish the final closing in respect of such Share (including, without limitation, due to an ordinary or extraordinary exchange holiday); and
- d. any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for such Share or option or futures contracts referencing such Share,

it being understood that for the purpose of this definition (i) a limitation with regard to the hours and number of days of trading does not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Reference Market or, with respect to b) above, the exchange on which option or futures contracts referencing the relevant Share are traded and (ii) a limitation on trading imposed during the course of a single day by reason of price movements otherwise exceeding levels permitted by the Reference Market and/or the relevant exchange on which option or futures contracts referencing the respective Share are traded does constitute a Market Disruption Event.

"Potential Adjustment Event" means, in respect of any Share which is an Underlying or, as the case may be, any Share which is part of a Basket which is the Underlying, any event that may have a diluting or concentrative effect on the theoretical value or market value of the relevant Share(s). Potential Adjustment Events include, without limitation, the declaration of the relevant person issuing the respective Share(s) to:

- a. split, subdivide, consolidate, reclassify, convert or exchange the Share(s) (unless such event qualifies as an Extraordinary Event);
- b. distribute to existing equity holders (i) additional Shares (either for free or against consideration) or (ii) other financial instruments granting the right to payment of dividends and/or liquidation proceeds in respect of the relevant person equally or proportionally with such payments to equity holders or (iii) any other type of financial instruments, rights or other assets, in any case for payment at less than the prevailing market price as determined by the Calculation Agent; or

- c. distribute to existing equity holders exceptionally high dividends, bonuses or cash (including where such dividends are referred to as "extraordinary" or "exceptional" distributions).

"Takeover Event" means a takeover offer, tender offer, exchange offer or solicitation, which is made to the holders of certain Shares and (a) is declared successful, and/or (b) results in the person making the takeover offer, tender offer, exchange offer or solicitation holding more than 50% of the Shares outstanding.

10.1.2 Adjustments

(a) In general

The Issuer has the right to adjust the parameters of the Products and/or to modify the terms of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the relevant Issuer shall be entitled to make certain adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

(b) Potential Adjustment Events

If the Issuer and/or the Calculation Agent determines that a Potential Adjustment Event has occurred, it shall:

- a. determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value or the market value of the relevant Share(s); and, if this is the case,
- b. make such adjustment (in each case if applicable) to (i) the calculation of the Redemption Amount, (ii) the number of Underlyings or Basket Components (including, without limitation, any replacement of one or more Basket Components by components which are currently not included in the relevant Basket), (iii) the weighting of the Basket Components, (iv) the amount, number of or type of Shares or other securities which may be delivered in respect of such Products; and/or (v) any other parameter relevant for the exercise, valuation, redemption, settlement or payment terms or any other terms of the relevant Products as it deems appropriate in order to (1) account for the dilutive or concentrative effect of the respective Potential Adjustment Event or (2) preserve the economic equivalent of the rights of the Holders immediately prior to the occurrence of such Potential Adjustment Event.

The determination whether and to what extent an adjustment should be made following the occurrence of a Potential Adjustment Event shall be made by the relevant Issuer and/or the Calculation Agent in their discretion. When making its determinations, the Issuer and/or the Calculation Agent may take into account any adjustments made to the terms of option or futures contracts (if any) which relate to the Share(s), it being understood that the Issuer and the Calculation Agent shall neither be obligated to take into account any such adjustments nor be bound by any such adjustments. Any adjustment made pursuant to this Section shall be

effective as of the date determined by the relevant Issuer and/or the Calculation Agent in their discretion.

(c) Extraordinary Events

If the Issuer and/or the Calculation Agent determines that an Extraordinary Event has occurred, then:

- (i) *in the case of Products with a Share (but not a Basket of Shares) as Underlying*, the Issuer may determine that the relevant Products shall be redeemed early, in which case any obligation of the Issuer to make any redemption payment (in cash or in kind) shall be replaced by an obligation to pay to the Holders an amount which the Calculation Agent in its reasonable discretion having regard to standard market practices determines to be the Fair Market Value (which, for the avoidance of doubt could be zero). The foregoing shall also apply if the relevant Product has been redeemed but payment has not taken place yet;
- (ii) *in the case of Products with a Basket of Shares as Underlying or in the case of Products with a Share as Underlying but for which the relevant Issuer did not determine that an early redemption shall take place in accordance with the immediately preceding paragraph*, the Issuer may make such adjustment (in each case if applicable) to (i) the calculation of the Redemption Amount, (ii) the number of Underlyings or Basket Components, (iii) the weighting of the Basket Components, (iv) the amount, number of or type of Shares or other securities which may be delivered in respect of such Products and/or (v) any other parameter *relevant* for the exercise, valuation, redemption, settlement or payment terms or any other terms of the relevant Products as it deems appropriate to preserve the economic equivalent of the rights of the Holders immediately prior to the occurrence of such Extraordinary Event.

The determinations by the relevant Issuer or the Calculation Agent pursuant to this Section shall be made in the relevant Issuer's or Calculation Agent's discretion. Any determination made pursuant to this Section shall be effective as of the date determined by the relevant Issuer or, as the case may be, the Calculation Agent in its discretion.

(d) Delisting Event

If the Issuer and/or the Calculation Agent determines that a Delisting Event has occurred, then the relevant Issuer may:

- (i) *in the case of Products with a Share or Shares (but not a Basket of Shares) as Underlying*, determine that the relevant Products shall be redeemed early, in which case any obligation of the Issuer to make any redemption payment (in cash or in kind) shall be replaced by an obligation to pay to the Holders an amount which the Calculation Agent in its reasonable discretion having regard to standard market practices determines to be the Fair Market Value of the Products (which, for the avoidance of doubt could be zero). Instead of a payment of such an amount, the relevant Issuer may, but is not obliged to, deliver the corresponding number of the affected Shares, with any potential fractional entitlement settled in cash;
- (ii) *in the case of Products with a Basket of Shares as Underlying*, be entitled to either (i) remove the affected Basket Component from the Basket without replacement or (ii) replace the Basket Component in whole or in part by a successor basket component (each such basket component, a "**Successor Basket Component**"), in each case if applicable by implementing correction factors with respect to the remaining Basket Components. In the case of a replacement of a Basket Component by a Successor Basket Component, such Successor Basket Component shall for all purposes of the Products be treated as Basket Component.

The determinations by the relevant Issuer or the Calculation Agent pursuant to this Section shall be made in the relevant Issuer's or the Calculation Agent's discretion. In the event of the removal of a Basket Component without replacement due to an Insolvency Event, the Issuer or Calculation Agent shall be free to remove the Basket Component without making any compensatory payment to the Holder.

Any adjustment made pursuant to this Section shall be effective as of the date determined by the Issuer or, as the case may be, the Calculation Agent in its discretion.

(e) Further adjustments

The above sub-sections shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the Issuer and/or the Calculation Agent, has a comparable effect as the events described in these Sections.

10.1.3 Market Disruption Events

If the Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Products, then the Issuer shall be entitled to postpone the relevant fixing, observation or valuation (a "**Postponement**") until the Underlying Business Day following the day on which the Market Disruption Event ceases. The Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of any Postponement).

In the case of a Postponement, any payment or delivery deadline under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due during or in relation to such Postponement and, for the avoidance of doubt, such Postponement shall not constitute an Event of Default in respect of the Issuer.

If the relevant Market Disruption Event continues for five consecutive Underlying Business Days, then the relevant Issuer and/or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying, Basket Component or other relevant underlying constituent or component of the Products may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant Share in its sole and discretion. In the case of Products with a Basket of Shares as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

10.2 Indexes as Underlyings

10.2.1 Definitions

"Market Disruption Event" means, in respect of any Index which is the Underlying or, as the case may be, any Index which is part of a Basket of Indices which is the Underlying, and unless otherwise specified in the relevant Issue Terms, the occurrence or existence of any one or more of the following events:

- a. any suspension or disruption of or limitation imposed on trading (including, without limitation, any failure by the respective Reference Market or other price source, as applicable, to announce or publish the final closing in respect of Index components due to an ordinary or extraordinary exchange holiday or for any other reason) in one or several Index components;

- b. any suspension or disruption of or limitation imposed on trading of options or futures referencing such Index or one or several Index components on any exchange on which option or futures contracts referencing such Index are traded; and
- c. any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for (i) one or several Index components or (ii) option or futures contracts referencing such Index or one or several Index components, it being understood that for the purpose of this definition:
 - (i) a limitation with regard to the hours and number of days of trading does not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the Reference Market or, with respect to b) above, the exchange on which option or futures contracts referencing the relevant Index or one or several Index components are traded, and
 - (ii) a limitation on trading imposed during the course of a day by reason of price movements otherwise exceeding levels permitted by the relevant exchange on which option or futures contracts referencing the respective Index are traded does not constitute a Market Disruption Event.

10.2.2 Adjustments

(a) In general

The Issuer has the right to adjust the parameters of the Products and/or to modify the terms of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the relevant Issuer shall be entitled to make adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

(b) Change of Index Sponsor

If an Index Sponsor ceases to calculate and/or publish an Index which is the Underlying of the Products or an Index which is part of a Basket of Indices which is the Underlying of the Products but such Index is calculated and/or published by a successor index sponsor which (a) as reasonably determined by the relevant Issuer uses the same or a substantially similar formula for, and method of calculation of, the Index as the Index Sponsor and (b) is acceptable to the relevant Issuer (each such successor index sponsor, a "**Successor Index Sponsor**"), then the relevant Successor Index Sponsor shall for all purposes of the Products be treated as Index Sponsor with respect to the affected Index.

(c) Modification of the calculation of an Index

If during the lifetime of the Products the relevant Issuer reasonably determines that the Index Sponsor makes a material change in the formula for, or the method of calculating of, an Index which is the Underlying of the Products or an Index which is part of a Basket of Indices which is the Underlying of the Products, or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain the Index in the event of

changes in constituent stock and capitalization or other routine events), then the Issuer may, regardless of whether such change or alteration was made based on an autonomous decision of the Index Sponsor or upon the request from or a decision made by a governmental body or any other third party, either:

- (i) based on an independent third-party expert opinion from an expert selected by the Issuer in its discretion, determine that all calculations and determinations with respect to the Products shall be made on the basis of such modified Index multiplied, if necessary, by a linking coefficient allowing to ensure continuity in the evolution of the Index which is the Underlying of the Products or, as the case may be, the Index which is part of the Basket of Indices which is the Underlying of the Products; or
- (ii) choose any of the options provided for below under *Termination of the publication of an Index or termination of license agreement*.

(d) Replacement of an Index

If during the lifetime of the Products the Index which is the Underlying of the Products or an Index which is part of a Basket of Indices which is the Underlying of the Products is being replaced by a substitute index (a "**Substitute Index**"), then the following shall apply:

- 1) If the Issuer reasonably determines that the Substitute Index is (i) calculated on the basis of a substantially similar formula and calculation method as the Index which is being replaced and (ii) acceptable to it, then the relevant Substitute Index shall for all purposes of the Products be treated as Index instead of the Index which is being replaced.
- 2) If the Issuer reasonably determines that the Substitute Index is calculated on the basis of a formula and/or calculation method which is materially different from the formula and/or calculation method used with respect to the Index which is being replaced or if the Index is materially altered in any other way, then the Issuer may, regardless of whether such change or alteration was made based on an autonomous decision of the Index Sponsor or upon the request from or a decision made by a governmental body or any other third party, either:
 - a. based on an independent third-party expert opinion from an expert selected by the Issuer in its discretion, determine that all calculations and determinations with respect to the Products shall be made on the basis of such Substitute Index multiplied, if necessary, by a linking coefficient allowing to ensure continuity in the evolution of the Index which is the Underlying of the Products or, as the case may be, the Index which is part of the Basket of Indices which is the Underlying of the Products; or
 - b. choose any of the options provided for below under *Termination of the publication of an Index or termination of license agreement*.

(e) Termination of the publication of an Index or termination of license agreement

If, for any reason, on or prior to any fixing date or observation date under the Products the relevant Index Sponsor permanently ceases the calculation and publication of an Index which is the Underlying or an Index which is part of a Basket of Indices which is the Underlying, in each case without replacing such Index with a Substitute Index or the license agreement between the Index Sponsor and the Issuer is terminated, then the Issuer shall:

- 1) in the case of Products with an Index (but not a Basket of Indices) as Underlying, redeem the relevant Products early at an amount which the relevant Issuer and/or the Calculation Agent in its discretion determines to be the Fair Market Value;
- 2) in the case of Products with a Basket of Indices as Underlying, at its option, either:

- (i) make all calculations and/or determinations with respect to the Products on the basis of the other Indices which are part of the Basket of Indices by (A) increasing the respective Weight of each remaining Index pro rata to its Weight immediately prior to the cessation of the calculation and publication of the affected Index or termination of the license agreement between the Index Sponsor and the relevant Issuer with respect to such Index and (B) reducing the Weight of the affected Index to zero;
- (ii) redeem the relevant Products early at an amount which the relevant Issuer and/or the Calculation Agent in its reasonable discretion having regard to standard market practices determined to be the Fair Market Value of the Products. Any amendment with regard to the weight of the remaining Indices upon the cessation of the calculation and publication of an Index or termination of the license agreement between the Index Sponsor and the relevant Issuer shall be effective as of the date determined by the relevant Issuer in its discretion.

The Issuer is under no obligation to procure that license agreements with Index Sponsors are entered into for a duration that is equal to or longer than the lifespan of the Products, to challenge a decision of an Index Sponsor to terminate or refrain from renewing such a license agreement.

(f) Further adjustments

The above sub-sections shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the Issuer and/or the Calculation Agent, has a comparable effect as the events described in these Sections.

10.2.3 Market Disruption Events

If the Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Products, then the Issuer shall be entitled to postpone the relevant fixing, observation or valuation (a "**Postponement**") until the Underlying Business Day following the day on which the Market Disruption Event ceases. The Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of any Postponement).

In the case of a Postponement, any payment or delivery deadline under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due during or in relation to such Postponement and, for the avoidance of doubt, such Postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five consecutive Underlying Business Days, then the relevant Issuer and/or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying, Basket Component or other relevant underlying constituent or component of the Products may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant Index in its sole and discretion.

In the case of Products with a Basket of Indices as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

10.3 Commodities as Underlyings

The following additional terms apply to all Products with commodities as any Underlying.

10.3.1 Definitions

"Market Disruption Event" means in respect of any commodity which is the Underlying or, as the case may be, any commodity which is part of a Basket of commodities which is the Underlying, and unless otherwise specified in the relevant Issue Terms, the occurrence or existence of any one or more of the following events:

- a. any suspension or material disruption of or material limitation imposed on trading in such commodity by the Reference Market or otherwise;
- b. any suspension or material disruption of or material limitation imposed on trading of options or futures referencing such commodity on any exchange on which option or futures contracts referencing such commodity are traded;
- c. failure by the respective Reference Market or other price source, as applicable, to announce or publish a price or level in respect of such commodity (including, without limitation, due to an ordinary or extraordinary exchange holiday);
- d. failure of trading to commence, or the permanent discontinuation of trading (i) in the commodity on the respective Reference Market or (ii) in option or futures contracts referencing such commodity on any exchange on which option or futures contracts referencing such commodity are traded;
- e. any other event that disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for such commodity or option or futures contracts referencing such commodity;
- f. the occurrence since the Initial Fixing Date of a material change in (i) the formula for or method used for the calculation of the price or level of such commodity or (ii) the content, composition or constitution of such commodity or option or futures contracts referencing such commodity; and
- g. the imposition of, change in, or removal of any Taxes on, or measured by reference to, such commodity or option or futures contracts referencing such commodity (other than a Tax on, or measured by reference to, overall gross or net income) by any government authority or other body having the power to Tax, if the direct impact of such imposition, change or removal is to raise or lower a relevant level or price on the Business Day from what it would have been without such imposition, change or removal,

it being understood that for the purpose of this definition that (i) a limitation with regard to the hours and number of days of trading does not constitute a Reference Market if it results from an announced change in the regular business hours of the Reference Market or, with respect to b) above, the exchange on which option or futures contracts referencing the relevant commodity are traded and (ii) a limitation on trading imposed during the course of a day by reason of price movements otherwise exceeding levels permitted by the Related Exchange and/or the relevant exchange on which option or futures contracts referencing the respective commodity are traded does constitute a Market Disruption Event.

10.3.2 Adjustments

(a) In general

The Issuer has the right to adjust the parameters of the Products and/or to modify the Terms and Conditions of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the

occurrence of which the relevant Issuer shall be entitled to make certain adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

(b) Replacement of fixing level

If on or prior to any fixing date or observation date under the Products, the Issuer and/or the Calculation Agent determines in its discretion that the fixing level with respect to a commodity which is the Underlying or a commodity which is part of a Basket of commodities which is the Underlying is either:

- (i) not calculated and published by the Reference Market or any other person responsible for the calculation and/or publication but is calculated and published by a successor of such Reference Market or other person which is acceptable to the relevant Issuer; or
- (ii) replaced by a successor fixing level calculated on the basis of a substantially similar formula and calculation method as the fixing level which is being replaced,

then, in each case, such fixing level shall for all purposes of the Products be treated as fixing level with respect to the relevant commodity instead of the fixing level which is being replaced.

(c) Further adjustments

The above sub-section shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the Issuer and/or the Calculation Agent, has a comparable effect as the events described in these Sections.

10.3.3 Market Disruption Events

If the Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Products, then the Issuer shall be entitled to postpone the relevant fixing, observation or valuation (a "**Postponement**") until the Underlying Business Day following the day on which the Market Disruption Event ceases. The Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of any Postponement).

In the case of a Postponement, any payment or delivery deadline under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due during or in relation to such Postponement and, for the avoidance of doubt, such Postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five consecutive Underlying Business Days, then the relevant Issuer and/or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying, Basket Component or other relevant underlying constituent or component of the Products may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation

or valuation as well as the respective fixing, observation or valuation level of the relevant commodity in its discretion.

In the case of Products with a Basket of commodities as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

10.4 Currency exchange rates as Underlyings

The following additional terms apply to all Products with currency exchange rates as any Underlying.

10.4.1 Definitions

"Market Disruption Event" means in respect of any exchange rate which is the Underlying or, as the case may be, any exchange rate which is part of a Basket of exchange rates which is the Underlying, and unless otherwise specified in the relevant Issue Terms, the occurrence or existence of any one or more of the following events:

- a. any suspension or material disruption of or material limitation imposed on foreign exchange trading in at least one of the currencies related to the Exchange Rate or Exchange Rates which is/are any Underlying of the Products;
- b. a restriction on the convertibility of at least one of the currencies related to the Exchange Rate or Exchange Rates which is/are any Underlying of the Products;
- c. the impossibility to obtain an Exchange Rate or Exchange Rates which is/are any Underlying of the Products;
- d. any suspension or material disruption of or material limitation imposed on trading of options or futures referencing the Exchange Rate or Exchange Rates which is/are any Underlying of the Products on any exchange on which option or futures contracts referencing the Exchange Rate or Exchange Rates are traded; and
- e. any other event that disrupts or impairs the ability of market participants in general to effect transactions in at least one of the currencies related to the Exchange Rate or Exchange Rates or option or futures contracts referencing the Exchange Rate or Exchange Rates which is/are any Underlying of the Products or to obtain the levels of the respective Exchange Rate or Exchange Rates.

10.4.2 Adjustments

The Issuer has the right to adjust the parameters of the Products and/or to modify the Terms and Conditions of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the relevant Issuer shall be entitled to make certain adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

10.4.3 Market Disruption Events

If the Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Products, then the Issuer shall be entitled to postpone the relevant fixing, observation or valuation (a "**Postponement**") until the Underlying Business Day following the day on which the Market Disruption Event ceases. The Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of any Postponement).

In the case of a Postponement, any payment or delivery deadline under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due during or in relation to such Postponement and, for the avoidance of doubt, such Postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five consecutive Underlying Business Days, then the Issuer and/or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying, Basket Component or other relevant underlying constituent or component of the Products may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant Exchange Rate in its sole and absolute discretion having regard to standard market practices.

In the case of Products with a Basket of Exchange Rates as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

10.5 Future contracts as Underlyings

The following additional terms apply to all Products with option contracts as any Underlying.

10.5.1 Definitions

"Market Disruption Event" means in respect of any futures contract which is the Underlying or, as the case may be, any futures contract which is part of a Basket of futures contracts which is the Underlying, and unless otherwise specified in the relevant Issue Terms, the occurrence or existence of any one or more of the following events:

- a. (i) the failure of a price source of the futures contract(s) to announce or publish a price relevant for the Products; or (ii) the temporary or permanent discontinuance or unavailability of such price source; or (iii) the disappearance or permanent discontinuance or unavailability of a price relevant for the Products (notwithstanding the availability of the related price source or the status of trading in the relevant futures contract);
- b. the material suspension or limitation of trading in the futures contract on the Reference Market;
- c. the failure of trading to commence, or the permanent discontinuation of trading, in the futures contract on the Reference Market;
- d. the occurrence of a material change (i) in the formula for or method of calculating the price relevant for the Products; or (ii) in the content, composition or constitution of the futures contract or of the Underlying on which the futures contract is based; or

- e. the imposition of, change in, or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar Tax on, or measured by reference to, the futures contract or the Underlying on which the futures contract is based (other than a Tax on, or measured by reference to, overall gross or net income) by any government or tax authority, if the direct effect of such imposition, change or removal is to raise or lower a relevant price on a fixing, observation or valuation date from what it would have been without such imposition, change or removal.

10.5.2 Adjustments

(a) In general

The Issuer has the right to adjust the parameters of the Products and/or to modify the Terms and Conditions of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the relevant Issuer shall be entitled to make certain adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

(b) Substitution of reference market and/or price source

If the quotation of or trading in the futures contract on the relevant reference market of such futures contract or the publication of the price of the futures contract by the relevant price source of such futures contract is permanently discontinued while concurrently the quotation or trading is maintained or is commenced on another reference market or if the relevant price of the futures contract is published by another price source, the Issuer shall be entitled to stipulate such other reference market as the new reference market and/or such other price source as the price source (the "**Substitute Reference Market**" or the "**Substitute Price Source**"). In the case of such a substitution, any reference in the Terms and Conditions of the Products to the reference market and/or price source thereafter shall be deemed to refer to the Substitute Reference Market and/or Substitute Price Source.

(c) Changes in the futures contract

If at any time the relevant futures contract is terminated and/or replaced by another value or if the relevant contract characteristics and/or conditions of the futures contract or the Underlying of the futures contract are changed, the Issuer and/or the Calculation Agent are entitled to make an adjustment to the Terms and Conditions of the Products, which in the assessment of the Issuer and/or the Calculation Agent is appropriate to reflect the amendments and/or to replace the futures contract with a successor futures contract (the "**Successor Futures Contract**") which is economically equivalent to the original relevant concept of the futures contract. As the case may be, the Issuer and/or the Calculation Agent will multiply the relevant price of the futures contract by an adjustment factor in order to ensure the continuity of the development of the reference value(s) underlying the Products. Any reference in the Terms and Conditions of the Products to the futures contract shall, to the extent appropriate, be deemed to refer to the Successor Futures Contract.

(d) Further adjustments

The above sub-sections shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the Issuer and/or the Calculation Agent, has a comparable effect as the events described in these Sections.

10.5.3 Market Disruption Events

If the Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Products, then the Issuer shall be entitled to postpone the relevant fixing, observation or valuation (a "**Postponement**") until the Business Day following the day on which the Market Disruption Event ceases. The Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of any Postponement).

In the case of a Postponement, any payment or delivery deadline under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due during or in relation to such Postponement and, for the avoidance of doubt, such Postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five consecutive Underlying Business Days, then the Issuer and/or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying, Basket Component or other relevant underlying constituent or component of the Products may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant futures contract in its sole and absolute discretion having regard to standard market practices.

In the case of Products with a Basket of futures contracts as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

10.6 Non-Equity Securities

The following additional terms apply to all Products with Non-Equity Securities as any Underlying.

10.6.1 Definitions

"Delisting Event" means, in relation to a Non-Equity Security, that the reference market for such Non-Equity Security ceases or will shortly cease to list, trade or publicly quote the Non-Equity Security for any reason, provided however that no Delisting Event shall be deemed to have occurred if the Non-Equity Security is listed, traded or publicly quoted on a different market in the same jurisdiction that is deemed equivalent by the Issuer and/or the Calculation Agent.

"Market Disruption Event" means in respect of any Non-Equity Security which is the Underlying or, as the case may be, any Non-Equity Security which is part of a Basket of Non-Equity Securities which is the Underlying, and unless otherwise specified in the relevant Issue Terms, the occurrence or existence of any one or more of the following events:

- a. the suspension or absence of the announcement of a price of the Non-Equity Security relevant for the Products on the reference market for such instrument;

- b. the suspension or limitation of trading with respect to the Non-Equity Security or any futures or options contracts relating to the Non-Equity Security which the Issuer and/or the Calculation Agent determine to be material;
- c. the occurrence at any time of an event that disrupts or impairs (as determined by the Issuer and/or the Calculation Agent) the ability of market participants in general (i) to obtain market values for the Non-Equity Security, or (ii) to sell or transfer the Non-Equity Security or to exercise the rights conveyed by the Non-Equity Security, or (iii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Non-Equity Security on a futures exchange where such contracts are usually traded;
- d. any event other than such listed above which in its consequences is commercially comparable to those events;
- e. the suspension or limitation of banking activities in the in the country where the reference market for the relevant Non-Equity Security is located of which the Issuer and/or Calculation Agent determine material.

10.6.2 Adjustments

(a) In general

The Issuer has the right to adjust the parameters of the Products and/or to modify the Terms and Conditions of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the relevant Issuer shall be entitled to make certain adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

(b) Changes in market conditions

If, in the determination of the Issuer and/or Calculation Agent, a material change in the market conditions has occurred on the reference market for the relevant Non-Equity Security, the Issuer and/or Calculation Agent shall be entitled to effect adjustments to the Terms and Conditions of the Products to account for these changed market conditions.

(c) Changes in the calculation

Any changes in the calculation (including corrections) of the Non-Equity Security shall not lead to an adjustment unless the Issuer and/or Calculation Agent determine that as a result of the changes (including corrections) the underlying concept and/or the calculation of the Non-Equity Security are no longer comparable to the underlying concept and/or calculation of the Non-Equity Security applicable prior to such change.

Adjustments may also be made as a result of the removal of the Non-Equity Security and/or its substitution by another underlying or the delisting of the Non-Equity Security.

For the purpose of making any adjustments, the Issuer and/or Calculation Agent shall determine an adjusted value of the Non-Equity Security which shall be used for the

determination of the relevant price of the Non-Equity Security for the Products and which in its economic result shall correspond to the provisions prior to this change, and shall determine the day on which the adjusted value of the Non-Equity Security shall apply for the first time taking into account the time the change occurred.

(d) Termination, early redemption and other events

In the event that the Non-Equity Security is terminated and/or redeemed early or replaced by another Non-Equity Security, provided that such circumstance does not occur in connection with any insolvency or general settlement proceedings or other similar proceedings of the issuer of the Non-equity security, or in the event of changes to the terms and conditions of the Non-Equity Security, the Non-Equity Security may be replaced for the purposes of the Terms and Conditions by another financial instrument (the "**Successor Instrument**"), if necessary after making the appropriate adjustments pursuant to the above Sections. In this case any reference in the Terms and Conditions to the Non-Equity Security shall, to the extent permitted by the context, be deemed to refer to the Successor Instrument.

(e) Replacement of the reference market

If the quotation of or trading in the Non-Equity Security on the reference market for such instrument is permanently discontinued while concurrently a quotation or trading is started up or maintained on another market, the Issuer and/or Calculation Agent shall be entitled to stipulate such other market as relevant reference market (the "**Substitute Reference Market**"). In the case of such a substitution, any reference in the Terms and Conditions to the reference market thereafter shall be deemed to refer to the Substitute Reference Market.

(f) Correction of a relevant price

In the event that a price for the Non-Equity Security determined and published by the reference market for such instrument which is relevant for the Products is subsequently corrected and the correction (the "**Corrected Price**") is published by the reference market after the original publication, the Issuer and/or Calculation Agent shall be entitled to effect adjustments to the Terms and Conditions taking into account the Corrected Price, to account for the correction.

(g) Further adjustments

The above sub-sections shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the Issuer and/or the Calculation Agent, has a comparable effect as the events described in these Sections.

10.6.3 Market Disruption Events

If the Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Products, then the Issuer shall be entitled to postpone the relevant fixing, observation or valuation (a "**Postponement**") until the Underlying Business Day following the day on which the Market Disruption Event ceases. The Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of any Postponement).

In the case of a Postponement, any payment or delivery deadline under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due during or in relation to such Postponement and, for the avoidance of doubt, such Postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five consecutive Underlying Business Days, then the relevant Issuer and/or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying, Basket Component or other relevant underlying constituent or component of the Products may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant Non-Equity Security in its sole and absolute discretion having regard to standard market practices. In the case of Products with a Basket of Non-Equity Securities as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

10.7 Fund units as Underlyings

The following additional terms apply to all Products with units of funds as any Underlying.

10.7.1 Definitions

"Fund Change in Law" means any of the following (taking place after the Issue Date):

- a. the adoption, taking effect or implementation of any law, order rule, regulation, decree, notice or treaty;
- b. any change in any law, order, rule, regulation, decree, notice or treaty or in the administration, interpretation, implementation or application thereof, whether formal or informal, by any court, tribunal, regulatory authority, governmental authority or similar administrative or judicial body;
- c. the making or issuance of any request, rule, guideline or directive (whether formal or informal or not having the force of law) by any court, tribunal, regulatory authority, governmental authority or similar administrative or judicial body;
- d. the holding, acquisition or sale of the fund units of the fund is or becomes wholly or partially illegal;
- e. the costs associated with the obligations under the Products have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or negative consequences with regard to tax treatment).

"Fund Service Provider" means, in respect of a fund that is an Underlying, any service provider to the fund, including investment advisors, investment managers, custodians, depositaries, administrators, management companies.

"Market Disruption Event" means, in respect of any fund unit which is the Underlying or, as the case may be, any fund unit which is part of a Basket which is the Underlying, and unless otherwise specified in the relevant Issue Terms, the occurrence or existence of any one or more of the following events:

- a. a suspension or a failure of the announcement of the price of the fund unit on any day relevant for determining any amounts under these Terms and Conditions of the Products;
- b. the occurrence of any other event that, in the opinion of the relevant Issuer and/or the Calculation Agent at its reasonable discretion, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for the fund unit.

"NAV" means, in respect of any relevant fund unit, the net asset value calculated in accordance with the terms of the prospectus or other documents prepared in connection with the marketing of the fund such fund units relates to.

"Potential Adjustment Event" means, in respect of any fund unit which is the Underlying of the Products or, as the case may be, any fund unit which is part of a Basket of Shares which is the Underlying of the Products, any of the following events:

- a. a material change in the investment strategy, underlying portfolio liquidity or the risk/return profile of the fund used as Underlying, Basket Component or other underlying component of the Products, a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the fund used as Underlying, Basket Component or other underlying component of the Products (howsoever described, including the underlying type of assets in which the fund invests) from those set out in the fund offer documentation or other constitutional documents or any announcement regarding a potential modification or material deviation, except where such modification or deviation is of a formal, minor or technical nature;
- b. the fund used as Underlying, Basket Component or other underlying component of the Products or any Fund Services Provider:
 - (i) ceases trading and/or, in the case of a Fund Service Provider, ceases to provide its services to the fund and is not immediately replaced in such capacity by a successor acceptable to the relevant Issuer and/or the Calculation Agent,
 - (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights (other than pursuant to a consolidation, amalgamation or merger); or
 - (iii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified above;
- c. any suspension, a change in the periodicity and/or material modification of the method of calculating the NAV per fund unit set out in the fund documents on a particular fixing date;
- d. the occurrence of a Fund Change in Law which has an effect on the fund;
- e. any other event or circumstance, which, in the reasonable determination of the Issuer and/or the Calculation Agent, causes the terms of these Products (for economic or other reasons) to no longer reflect the original commercial terms agreed by the Issuer and the Holders or adversely affects the economic basis on which the Issuer issued the Products.

10.7.2 Adjustments

(a) In general

The Issuer has the right to adjust the parameters of the Products and/or to modify the Terms and Conditions of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the relevant Issuer shall be entitled to make certain adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events

which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

(b) Potential Adjustment Events

If the Issuer and/or the Calculation Agent determines that a Potential Adjustment Event has occurred or is likely to occur, it may in the case of Products with a fund unit or a Basket of fund unit as Underlying:

- (i) make any adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Products that its determines at its reasonable discretion to be appropriate to account for the effect of such Potential Adjustment Event, and/or
- (ii) select, by using reasonable efforts for a period of no longer than five Business Days from the date when such a Potential Adjustment Event has occurred, one or more suitable alternative funds with reasonably similar investment mandates – subject to the following suitability criteria – (each a "**Replacement Fund**") and replace the fund used as Underlying, Basket Component or other underlying component by such fund(s).

The replacement of the fund used as Underlying, Basket Component or other underlying component of the Products by one or more alternative Replacement Funds is only possible provided that all of the following suitability criteria are met:

- there is no legal or regulatory restriction on referencing the fund in respect of the Products;
- the relevant fund management company / fund manager publishes the fund's net asset value or bid price on a regular basis; and
- the Issuer is able to fully hedge its position with respect to the fund to the extent necessary.

The determination whether and to what extent an adjustment should be made following the occurrence of a Potential Adjustment Event shall be made by the Issuer and/or the Calculation Agent in its sole and absolute discretion having regard to standard market practices.

Any adjustment made pursuant to this Section shall be effective as of the date determined by the relevant Issuer and/or the Calculation Agent in its reasonable discretion.

(c) Correction of price

In the event that the price of the fund unit used as the Underlying, Basket Component or other underlying component of the Products as determined and published by a Fund Service Provider on behalf the fund is subsequently corrected and the correction (the "**Corrected Price**") is published by a Fund Service Provider or otherwise on behalf of the fund after the original publication, but still within one settlement cycle, the Issuer and/or the Calculation Agent shall be entitled to effect, under consideration of the Corrected Price, adjustments to the Terms and Conditions of the Products at its reasonable discretion, to account for the correction.

(d) Further adjustments

The above sub-sections shall apply *mutatis mutandis* to any other event which, in the reasonable opinion of the Issuer and/or the Calculation Agent, has a comparable effect as the events described in these Sections.

10.7.3 Market Disruption Events

If the Issuer and/or the Calculation Agent reasonably determines that a Market Disruption Event has occurred and is continuing on any day relevant for the fixing, observation or valuation of the Underlying, Basket Component or other underlying constituent or component of the Products, then the Issuer shall be entitled to postpone the relevant fixing, observation or valuation (a "**Postponement**") until the Underlying Business Day following the day on which the Market Disruption Event ceases. The Issuer shall give a notice to the Holders describing the relevant Market Disruption Event (provided that any failure to give such notice, or non-receipt thereof, shall not affect the validity of any Postponement).

In the case of a Postponement, any payment or delivery deadline under the Products dependent on the relevant fixing, observation or valuation may be suspended until one Underlying Business Day following the date on which the Market Disruption Event ceases to continue. The Issuer shall not be obliged to pay any interest or other amounts due during or in relation to such Postponement and, for the avoidance of doubt, such Postponement shall not constitute an event of default in respect of the Issuer.

If the relevant Market Disruption Event continues for five consecutive Underlying Business Days, then the relevant Issuer and/or the Calculation Agent may determine that the relevant day for the fixing, observation or valuation of the Underlying, Basket Component or other relevant underlying constituent or component of the Products may not be further postponed, in which case the Calculation Agent shall determine the day relevant for such fixing, observation or valuation as well as the respective fixing, observation or valuation level of the relevant fund unit in its sole and absolute discretion having regard to standard market practices.

In the case of Products with a Basket of fund units as Underlying, the day relevant for the fixing, observation or valuation for each Basket Component which is not affected by the Market Disruption Event shall be the originally designated day for such fixing, observation or valuation.

10.8 Interest rates or reference rates as Underlyings

The following additional terms apply to all Products with interest rates or reference rates as any Underlying.

10.9 Definitions

"Reference Banks" means major banks or leading dealers in the relevant market selected by the Issuer or the Calculation Agent in its reasonable discretion and acting in a commercially reasonable manner.

"Reference Rate Event" means (a) any permanent and final termination of the determination, provision or publication of the relevant interest rate or reference rate by any administrator in circumstances where no successor administrator exists, or any other permanent and final discontinuation of the existence of the respective interest rate or reference rate or (b) a material change in the methodology of determining or calculating the relevant rate of the respective interest rate or reference rate as compared to the methodology used at the Issue Date if such change results in the respective rate, calculated in accordance with the new methodology, no longer representing, or being apt to represent adequately, the (original) rate or in terms of economic substance no longer being comparable to the (original) rate determined or calculated in accordance with the methodology used at the Issue Date or (c) the entry into force of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the relevant rate may no longer be used to determine the payment obligations under the Products, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

"Relevant Time" means the relevant time of a fixing, observation or valuation in connection with the Products, as indicated in the Issue Terms.

"Screen Page" means the screen page in relation to the relevant interest rate or reference rate serving as Underlying, as indicated in the Issue Terms.

10.10 Adjustments

(a) In general

The Issuer has the right to adjust the parameters of the Products and/or to modify the Terms and Conditions of the Products upon the occurrence of certain events or incidents, some of which are listed in this Section. The Holders acknowledge that this Section does not purport to contain an exhaustive or comprehensive list of all possible events or incidents upon the occurrence of which the relevant Issuer shall be entitled to make certain adjustments to the parameters of the Products and/or modifications to the Terms and Conditions of the Products. Similarly, the relevant Issuer further has the right to modify agreed maturity dates and times as well as any other date, deadline, time or period set out in the relevant Issue Terms to the extent it deems such modification necessary in light of the then prevailing market circumstances. All adjustments and/or modifications made by the relevant Issuer and/or the Calculation Agent pursuant to this Section shall be conclusive and binding on the Holders. Furthermore, the relevant Issue Terms may contain additional or specific provisions for events which may lead to an adjustment to the parameters of the Products and/or a modification of the Terms and Conditions of the Products. The Holders will not be entitled to any compensation from the relevant Issuer or any Agent for any losses suffered as a result of such adjustments or modifications.

(b) Determination of interest rate or reference rate

The interest rate or reference rate serving as Underlying, Basket Component or other underlying component or constituent of the Products will be determined by the Issuer and/or the Calculation Agent for the purpose of any fixing, observation or valuation of the Underlying, Basket Component or other underlying component or constituent of the Products on the following basis:

- (i) the Issuer or the Calculation Agent will, in its discretion, determine the respective interest rate or reference rate which appears on the Screen Page as of the Relevant Time on the respective fixing, observation or valuation date with respect to the Underlying, Basket Component or other underlying component or constituent of the Products;
- (ii) if on a fixing, observation or valuation date with respect to the Underlying, Basket Component or other underlying component or constituent of the Products, the relevant interest rate or reference rate does not appear on the relevant Screen Page or the relevant Screen Page is unavailable, the Issuer or the Calculation Agent will (x) request four (or such other number as the Issuer or the Calculation Agent may determine having regard to market conventions) Reference Banks to provide a quotation for the relevant interest rate or reference rate at approximately the Relevant Time on the applicable fixing, observation or valuation date in an amount that is representative for a single transaction in that market at that time, and (y) determine the arithmetic mean of such quotations (rounded upward or downwards in accordance with applicable market conventions), provided that if fewer than two such quotations are provided as requested under (x) above, then the relevant interest rate or reference rate shall be determined by the Issuer or the Calculation Agent in its reasonable discretion;
- (iii) if the Issuer or the Calculation Agent has determined, in its reasonable discretion, that a Reference Rate Event has occurred, it is entitled (notwithstanding anything to the contrary):
 - 1) if a successor reference rate has been determined for the respective interest rate or reference rate by a public announcement issued by the administrator

of the respective interest rate or reference rate, a competent central bank or a regulatory and/or supervisory authority or a successor administrator, to set such rate as the "**Successor Reference Rate**" and to use it instead of the respective interest rate or reference rate on the relevant fixing, observation or valuation date and on any subsequent fixing, observation or valuation date for the Products;

- 2) if a Successor Reference Rate has not been determined pursuant to (i) above, to set as the Successor Reference Rate a rate which is comparable to the respective interest rate or reference rate at its reasonable discretion and taking into account market practices and to use such Successor Reference Rate on the relevant fixing, observation or valuation date and any subsequent fixing, observation or valuation date for the Products, where, if the Issuer or the Calculation Agent determines that an appropriate rate exists which is generally accepted in the financial sector as the Successor Reference Rate for the respective interest rate or reference rate, it will set such rate as the Successor Reference Rate for the Products and will use that Successor Reference Rate for the Products on the relevant fixing, observation or valuation date and any subsequent fixing, observation or valuation date,

provided that, in the event that a Successor Reference Rate is determined by the Issuer or the Calculation Agent pursuant to the above, the Issuer and Calculation Agent shall be entitled to determine in their reasonable discretion (1) the method for periodically determining the amount of the Successor Reference Rate and/or (2) any adjustment factor as may be necessary to make the Successor Reference Rate comparable to the original interest rate or reference rate had no Reference Rate Event occurred with respect to such rate, in each case consistent with industry accepted practices for the Successor Reference Rate and, if necessary, to make adjustments to the provisions of the Terms and Conditions of the Products with respect to the calculation of the Successor Reference Rate, any interest or coupon payments under the Products (if any) and the redemption of the Products (including an adjustment of any interest period, the calculation of interest and the time at which the relevant interest rate or reference rate is determined).

11 SELLING RESTRICTIONS

11.1 In general

Except as set out in this Base Prospectus or in the Issue Terms, no action has been or will be taken that would permit a public offering of Products or possession or distribution of any offering material in relation to Products in any jurisdiction where action for that purpose is required. No offers, sales, deliveries or transfers of Products or the Underlying to be delivered upon redemption of the Products, or distribution of any offering material relating to Products, may be made in or from any jurisdiction except in circumstances where any such offer, sale, delivery or transfer complies with applicable laws and regulations and does not impose any obligation on the Issuer, the Lead Manager or any Agent.

References in the Issue Terms to a jurisdiction being subject to selling restriction shall, unless otherwise indicated in the Issue Terms, mean that the restriction for the relevant jurisdiction as set forth below applies.

11.2 European Economic Area

11.2.1 Public offering restriction

The Products may not be offered to the public in any Member State of the European Economic Area ("**EEA**") except in circumstances, which do not require a prospectus in accordance with

the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") *i.e.*:

- to any legal entity, which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of the Products to the public" in relation to the Products 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 Products to be offered so as to enable an Investor to decide to purchase or subscribe the Products.

11.2.2 Restriction regarding retail investors

The Products must not be offered, sold or otherwise made available to any retail investor within the meaning of the Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") in the EEA if a key information document is required by the PRIIPs Regulation for offering or selling the Products or otherwise making them available to retail investors in the EEA and no such document has been prepared. For these purposes, a retail investor means a person who is one (or more) of:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**");
- (b) a customer within the meaning of Directive 2016/97/EU (as amended), where that customer would not qualify as professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (c) not a qualified investor as defined in the Prospectus Regulation.

Therefore, offering or selling the Products or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

For the purposes of this provision, the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an Investor to decide to purchase or subscribe the Products.

11.2.3 Switzerland

If the relevant Issue Terms specify that the Products are not publicly offered in Switzerland, such Products must not be offered in Switzerland, except pursuant to and in accordance with an exemption from the prospectus requirement of the Financial Services Act ("**FinSA**"), and only in compliance with all other applicable laws and regulations.

11.2.4 United Kingdom

11.2.5 Public offering restriction

The Products may not be offered to the public in the United Kingdom except in circumstances, which do not require a prospectus in accordance with the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**") *i.e.*:

- to any legal entity, which is a qualified investor as defined in the UK Prospectus Regulation;
- to fewer than 150, natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation); or

- in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of the Products to the public" in relation to the Products in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an investor to decide to purchase or subscribe the Products.

11.2.6 Restriction regarding retail investors

The Products must not be offered, sold or otherwise made available to any retail investor within the meaning of the Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**"), if a key information document is required by the UK PRIIPs Regulation for offering or selling the Products or otherwise making them available to retail investors in the United Kingdom and no such document has been prepared. For these purposes, a retail investor means a person who is one (or more) of:

- a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
- a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 of the United Kingdom (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

Therefore, offering or selling the Products or otherwise making them available to any retail investor in the EEA may be unlawful under the UK PRIIPs Regulation.

For the purposes of this provision, the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Products to be offered so as to enable an Investor to decide to purchase or subscribe the Products.

11.2.7 United States of America

The Issuer is not registered as an investment company under the U.S. Investment Company Act of 1940 (the "**Investment Company Act**"), and no Product has been, and no Product will be, registered under U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Product may not be offered or sold within the United States except:

- in compliance with the registration requirements of the Securities Act and all applicable securities laws of the states of the United States; or
- pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws of the states of the United States; and

in each case, in a transaction that is not prohibited by the Investment Company Act or that would not require the Issuer, the Lead Manager or any Agent to register under the Investment Company Act.

Accordingly, the Product is being offered and sold only outside the United States to non-U.S. persons (within the meaning of Regulation S under the Securities Act) in offshore transactions in reliance on Rule 903 of Regulation S.

Each purchaser of the Product hereunder will be deemed to have acknowledged, represented and agreed that:

- 1) it understands and acknowledges that the Product has not been registered under the Securities Act or any other applicable securities laws of the states of the United States and that the Product is being offered for resale only in transactions not requiring registration under the Securities Act and may not be offered, sold, assigned, pledged, hypothecated or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws of the states of the United States or pursuant to an exemption therefrom and in each case in compliance with the conditions for transfer set forth in paragraphs 4, 5 and 7 below;
- 2) it is not a U.S. person and it is purchasing the Product outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act;
- 3) it represents and agrees that it and each of its affiliates have not entered and will not enter into any contractual arrangement with respect to the distribution of the Product unless any such arrangement is permitted under the Programme and is not in violation of the Securities Act;
- 4) it is purchasing the Product for its own account, or for an account for which it exercises sole investment discretion and is acting as a fiduciary or agent, in each case for investment purposes, and not with a view to or for an offer or sale in connection with any distribution thereof in violation of the Securities Act or any securities laws of any state of the United States, subject to any requirement of law that the disposition of its property or the property of such investor account(s) be at all times within its or their control and subject to its or their ability to resell such Product pursuant to Regulation S;
- 5) it understands and agrees that if in the future it decides to resell, assign, pledge, hypothecate or otherwise transfer any Product or any beneficial interests in any Product it will do so only to persons other than U.S. persons, outside the United States in an offshore transaction;
- 6) in reliance on Regulation S under the Securities Act, or in the U.S. pursuant to an exemption from registration under the Securities Act;
- 7) it agrees that it will give to each person to whom it transfers the Product, notice of any restrictions on the transfer of the Product; and
- 8) it acknowledges that until the expiration of 40 days after the date of the original issue any offer or sale of the Product within the United States by a broker/dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

12 TAXATION

12.1 In general

Each Holder is responsible for any and all Taxes which are or could be imposed on or levied against it in any jurisdiction or by any governmental or regulatory authority. Neither the relevant Issuer nor any Agent is obliged to gross up any payments in respect of the Products and each of the Issuer and any applicable Agent shall have the right, but not the obligation, to withhold or deduct from any amounts payable to the Holders such amount as is necessary for the payment of any such Taxes. In case any governmental or regulatory authority imposes on the Issuer the obligation to pay any such Taxes, the Holder shall promptly reimburse the Issuer.

12.2 Swiss taxation

The overview below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Swiss tax law which could be of relevance to an Investor. It is limited to Swiss tax law as published and in effect on the date of this Base Prospectus, and it is subject to any change in law, possibly with retroactive effect.

12.2.1 Swiss withholding tax

Payments on Products which classify as interest (including payments reflecting accrued interest) may be subject to Swiss withholding tax. As of the date of this Base Prospectus, the tax is levied at a rate of 35%. The taxable amounts depend on the tax classification of the Product (as described below). Issue discounts, repayment premiums or payments reflecting accrued interest are taxable at redemption or maturity of the Product, as applicable.

A holder of a Product who, at the time a taxable payment on the Product is due, is the beneficial owner of the taxable payment, is entitled to a full refund of or a full tax credit for the Swiss withholding tax, provided that certain conditions are met, in particular, (i) in the case of a holder, who is an individual resident in Switzerland and holding the Product as private asset, duly reports the gross amount of the taxable payment in his or her tax return and, (ii) in the case of a holder, who is a legal entity or an individual holding the Product in a Swiss business, includes such payment as earnings in its income statement. A holder of a Product, who is resident outside Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland to which such Product is attributable may be able to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of a double taxation treaty, if any, between Switzerland and the country of residence of the holder.

12.2.2 Income taxation

Products held as private assets by Swiss residents

(a) Structured notes

If a Product classifies as a structured Product, *i.e.* as a derivative financial instrument with a bond-like prefunding component embedded therein, its income taxation depends on whether:

- 1) the embedded bond component and the embedded derivative financial instrument are reported separately from each other, or, if the Product is a standard product, alternatively the values of the embedded bond component and the embedded derivative financial instrument can at any time be determined analytically by using standard valuation programmes; and
- 2) the Product classifies as a structured product with or without a predominant one-time interest payment.

(b) Non-transparent derivative financial instruments

If the embedded bond is not recorded separately from the embedded derivative financial instrument and if the conditions for analytical determination of the values of the embedded bond and the embedded derivative financial instrument set forth above do not apply, then the Product classifies as non-transparent structured note and any return over the initial investment classifies as a taxable interest payment. Non-transparent derivative financial instruments generally include a predominant one-time interest payment and are taxed in accordance with the principles set forth below under "*Transparent derivative financial instruments with a predominant one time interest payment*".

(c) Transparent derivative financial instruments without a predominant one-time interest payment

If the embedded bond is recorded separately from the embedded derivative financial instrument or if the values of the embedded bond and the embedded derivative financial instrument can be determined analytically as set forth above and if the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest payment such as an original issue discount or a repayment premium (see below "*Transparent derivative financial instruments with a predominant one-time interest payment*"), then a person who, is an individual resident in Switzerland holding such a Product as a private asset is required to include any periodic and one-time interest payments received on the Product, converted in each case into Swiss francs at the exchange rate prevailing at the time of payment, in his or her personal income tax return for the relevant tax period and will be taxable on any net taxable income (including such amounts, *i.e.* including, *inter alia*, any gain in respect of interest accrued or foreign exchange rate) for the relevant tax period. Option premium received, and a gain, including in respect of interest accrued, a loss, respectively, realised on the sale of such a Product is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively.

(d) Transparent derivative financial instruments with a predominant one-time interest payment

If the embedded bond is recorded separately from the embedded derivative financial instrument or if the values of the embedded bond and the embedded derivative financial instrument can be determined analytically as set forth above and if the yield-to-maturity predominantly derives from a one-time interest payment such as an original issue discount or a repayment premium and not from periodic interest payments, then a person, who is an individual resident in Switzerland holding such a Product as a private asset, is required to include any periodic interest payments received on the Product and, in addition, any amount equal to the difference between the value of the Product at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, and converted in each case into Swiss francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, in his or her personal income tax return for the relevant tax period and will be taxable on any net taxable income (including such amounts, *i.e.*, including, *inter alia*, any gain in respect of interest accrued or foreign exchange rate) for the relevant tax period. Any compensation received by such a holder for the embedded derivative, *i.e.*, option premium received, and any residual gain, and a loss, respectively, realised on the sale of such a Product is a tax-free private capital gain, a nontax-deductible private capital loss, respectively. However, notwithstanding the foregoing, such a holder may offset any decrease in value realised by him or her within the same taxation period on sale or redemption of such a Product against any gain (including periodic interest payments) realised by him or her from other securities with a predominant one time interest payment.

(e) Bonds

Bonds without a predominant one-time interest payment: If a Product classifies as a pure bond without a predominant one-time interest payment (*i.e.* the yield-to-maturity of which predominantly derives from periodic interest payments and not from a one-time interest payment such as an original issue discount or a repayment premium), then a person, who is an individual resident in Switzerland holding such a Product as a private asset is required to include any periodic and one-time interest payments received on such Product, converted into Swiss francs at the exchange rate prevailing at the time of payment, in his or her personal income tax return for the relevant tax period and will be taxable on any net taxable income (including such amounts) for the

relevant tax period. A gain, including, *inter alia*, in respect of interest accrued or foreign exchange rate, a loss, respectively, realised on the sale of such a Product is a tax-free private capital gain, a non-tax-deductible private capital loss, respectively.

Bonds with a predominant one-time interest payment: If a Product classifies as a pure bond with a predominant one-time interest payment (the yield-to-maturity of which predominantly derives from a one-time interest payment such as an original issue discount or a repayment premium and not from periodic interest payments), then a person, who is an individual resident in Switzerland holding such a Product as a private asset, is required to include any periodic interest payments received on the Product and, in addition, any amount equal to the difference between the value of the Product at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, and converted in each case into Swiss francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, in his or her personal income tax return for the relevant tax period and will be taxable on any net taxable income (including such amounts, *i.e.*, including, *inter alia*, any gain in respect of interest accrued or foreign exchange rate) for the relevant tax period. Such a holder may offset any decrease in value realised by him or her within the same taxation period on sale or redemption of such a Product against any gain (including periodic interest payments) realised by him or her from other securities with a predominant one-time interest payment.

(f) Pure derivative financial instruments

A capital gain realised by an individual on the sale or redemption of a Product, which classifies as a pure derivative financial instrument (such as pure call and put options, pure futures, static certificates replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right and discount certificates with a maturity not exceeding twelve months) and which is held as part of the individual's private assets is a tax-free private capital gain. Conversely, a capital loss realised on the sale or redemption of such a Product cannot be set off against taxable income. Dividend equalisation payments on such a Product constitute taxable investment income.

(g) Low exercise price warrants

A fully pre-funded call option with a term of not more than one year classifies as pure derivative financial instrument (see taxation treatment above "*Pure derivative financial instruments*"). If the term of a call option exceeds one year and the instrument underlying the call option is pre-financed by 50 per cent or more at the time of issuance then the interest component embedded in such an instrument (*i.e.* issue discount) constitutes taxable interest income (see taxation treatment above "*Structured notes*").

(h) Fund-like products

A Product, which is classified as a fund-like instrument will be considered a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less costs attributable) realised on, the underlying investments, are reported and distributed separately. Under such conditions, an individual holding a fund-like Product as part of his or her private assets receives taxable income (which he or she must report annually) over such portion of distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investment) as derived from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain, and any respective loss is a non-tax-deductible private capital loss. Any gain realised

within a taxation period on the sale of a fund-like Product (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised on such a Product a non-tax deductible capital loss.

Products held as assets of a Swiss business

Corporate entities and individuals, who hold Products as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such Products (irrespective of their classification) in their income statement for the respective taxation period and will be taxed on any net taxable earnings for such period. The same taxation treatment also applies to Swiss-resident individuals, who, for income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealing and leveraged investments in securities.

Non-Swiss holders

A holder of a Product who is not resident in Switzerland and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland will in respect of such Product not be subject to income tax in Switzerland.

12.2.3 Capital gains taxation

Products held as private assets by a Swiss resident

A gain, a loss, respectively, realised by an individual resident in Switzerland for tax purposes upon the sale or other disposal of a Product held as part of his or her private assets is a tax-free private capital gain, or a non-tax deductible capital loss, respectively, unless such individual is classified, for income tax purposes, as a "professional securities dealer" for reasons of, *inter alia*, frequent dealing and leveraged investments in securities.

Products held as assets of a Swiss business

Capital gains realised on Products held as assets of a Swiss business are taxed in accordance with the taxation principles set forth above under Section 12.2.2.

12.2.4 Stamp duty

The issuance of Products on the Issue Date (primary market) is exempt from Swiss federal securities turnover tax, except that the issuance of Products, which are classified as fund-like instruments may be subject to Swiss federal securities turnover tax of up to 0.3% on the offering price, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or an intermediary to the transaction and unless an exemption

Dealings in Products (secondary market), which classify as pure derivative financial instruments (such as pure call and put options, including low exercise price options with a maturity not exceeding 12 months, pure futures with a maximal pre-financing of 25%, fully-funded Products statically replicating an index or a basket of at least five shares and with a fixed maturity or an annual redemption right) are exempt from the Swiss federal securities turnover tax. Dealings in other Products may be subject to Swiss federal securities turnover tax of up to 0.3% on the consideration paid, however, only if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or an intermediary to the transaction and unless an exemption applies.

The physical settlement of a security at exercise or redemption to the holder of the Product may be subject to Swiss federal securities turnover tax of 0.3% in case a security issued by an issuer outside Switzerland is delivered and of 0.15% in case a security issued by a Swiss domestic issuer is delivered, however, in each case, only if a Swiss domestic securities dealer

(as defined in the Swiss federal stamp tax act) is a party or an intermediary to the delivery and, additionally, if no exemption applies.

12.3 FATCA, CRS and 871(m)

Each Holder will (a) provide the Issuer and the relevant Agents with any correct, complete and accurate information and any consent to information reporting that may be required to comply with any obligations under FATCA and the CRS and will take any other actions that the Issuer or its respective Agents deem necessary to comply with FATCA and the CRS and (b) update any such information and consent provided in clause (a) promptly upon learning that any such information or consent previously provided has become obsolete or incorrect or an update is otherwise required (a "**Change in Circumstances**"), in any case no later than 30 days following the occurrence of a Change in Circumstances. In the event the Holder fails to provide such information or consent, take such actions or upon a Change in Circumstances update such information or consent, (i) the relevant Issuer is authorized to withhold amounts otherwise distributable to the Holder if required to do so, and/or as compensation for any cost, loss or liability suffered as a result of such failure and (ii) the relevant Issuer will have the right to compel the Holder to sell its Products or, if such Holder does not sell its Products within 10 Business Days after notice from the Issuer, to sell such Products and to remit the net proceeds of such sale (taking into account any taxes incurred in connection with such sale) to the Holder as payment in full for such Products. Each such Holder agrees, or by acquiring a Product or an interest in a Product, will be deemed to agree, that the Issuer may provide such information and any other information regarding its investment in the Product to the IRS or other relevant governmental authority as required under FATCA and under the CRS as implemented in any applicable jurisdictions.

Notwithstanding any other provision in the relevant Issue Terms and this Base Prospectus, the Issuer shall be permitted to withhold or deduct from payments in connection with the Products any amounts required by the rules of U.S. Internal Revenue Code Sections 871(m) and 1471 through 1474 (**FATCA**) (or any amended or successor provisions), and pursuant to any inter-governmental agreement, or implementing legislation or regulations or other guidance adopted by any jurisdiction in connection with FATCA or 871(m), or pursuant to any agreement of the Issuer or an intermediary with the U.S. Internal Revenue Service in connection with FATCA or 871(m). None of the Issuer, any Agent or any other person will have an obligation to pay additional amounts to, or otherwise indemnify, a Holder that receives reduced amounts on a Product due to any 871(m) or FATCA withholding or deduction. If 871(m) or FATCA withholding is required on payments on the Products and this results, or would result, in the Issuer receiving less than it otherwise would have received, this may cause a Tax Event allowing the Issuer to terminate the Products. Each Holder will provide any further documentation necessary, including without limitation withholding certificates, withholding statements and documentary evidence, requested to establish the tax status and classification of the Holder for U.S. tax purposes.

13 APPROVAL / ISSUE TERMS

This Base Prospectus has been approved by SIX Exchange Regulation AG on [●]. The Final Terms will be published and filed with the review body as soon as possible after the definitive conditions are available.

14 RESPONSIBILITY

PKB Private Bank SA, as Issuer, accepts responsibility for the information contained in this Base Prospectus and declares that the information contained in this Base Prospectus is, to its

knowledge, correct as of the date of this Base Prospectus and that, to its knowledge, no material circumstances have been omitted as of the date of this Base Prospectus.

15 FORM OF FINAL TERMS

15.1 Form of final terms: securities with capital protection

Final Terms

dated [●]

in relation to the Base Prospectus for the issuance of certain structured products of
PKB Private Bank SA

(the "**Issuer**")

Capital Protection Note [with Participation (1100)] / [with Barrier (1130)] / [Twin Win (1135)] /
[with Coupon (1140)]

on [marketing name of underlying]

(the "**Products**")

ISIN: CH[●]

This instrument is a structured product. It does not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA) and it is not subject to authorisation or supervision by the Swiss Financial Market Supervisory Authority FINMA. The issuer risk is borne by investors. Furthermore, this Product does not benefit from any depositor protection, whether under Swiss law or otherwise.

Product description

Product category	[name of category] ([●] according to the Swiss Derivative Map of the Swiss Structured Products Association of 2024)
Underlying	[Insert name and description of the underlying assets, including ISINs and other identifiers, as well as further information regarding the Underlying, e.g.: <ul style="list-style-type: none">• weighting of the Underlyings (in case there are several of them)• indication as to the Reference Market or price source.]
Issuer	PKB Private Bank SA
[Lead Manager, Paying Agent and Calculation Agent]	[PKB Private Bank SA]
ISIN / Swiss security number of the Product	[●]
[FinSA Exempt Products]	[The Products are FinSA Exempt Products]
Issue size:	[●]
Denomination:	[●] per Product

Issue price:	[[●]% of the denomination per Product]
[Settlement Currency]	[●] [(Quanto)]
[Coupon]	[[●]% p.a.] <i>[If the coupon is variable, describe how it is calculated, including any floor / cap and interest rate fixing dates]</i>
[Coupon at risk]	[No, the coupon is due during the coupon period.] [Yes, the coupon will be suspended in case [●].]
[Coupon period]	Coupons will be paid [<i>specify frequency of payment (e.g. quarterly or annually), and/or specific dates</i>].
[Interest Record Date]	[●]
[Day Count Fraction]	[●]
Minimum redemption amount / capital protection	[●] [%] of the denomination] [The Investor is entitled to receive from the Issuer on the Redemption Date an amount in the Settlement Currency. Investors should be aware that the minimum redemption amount is only payable by the Issuer on Redemption Date. If the Products are early redeemed or if an additional adjustment event occurs, Investors may receive a redemption amount that is considerably lower than the minimum redemption amount that would otherwise have been received. Upon redemption, Investors in the Products will receive the minimum redemption amount, the amount of which is dependent upon the performance of any Underlying.]
[Maximum redemption amount / cap]	[●] [%]
[Early redemption]	[●] [The Issuer has the option, on [<i>insert frequency</i>] (each a " Call Option Exercise Date ") to call all the Products then outstanding by notice to the Holders. If the Issuer call option is exercised, the relevant Products will be redeemed at [100% of the Denomination per Product] on a date that is less than [20] Business Days after the notice of exercise of the call option has been delivered to the Holders.] [Each Investor has the option, on [<i>insert frequency</i>] (each a " Put Option Exercise Date "), whereby notice has to be received by the Calculation Agent no later than [● [a.m.] / [p.m.] [Swiss] time] on such Put Option Exercise Date, to cause the Issuer to redeem all (but not part) of the Products held by such Investor. If the Investor put option is exercised, the relevant Products will be redeemed at [100% of the denomination per Product] on a date that is less than [20] Business Days after the notice of exercise of the call option has been delivered to the Holders. [●]
[Participation Rate]	[●][%] as of [Redemption Date] [provided that if a Barrier Event has occurred, the Participation Rate will be ●] [provided that if a Barrier Event has occurred, the Participation Rate will be reduced by the rebate]
[Strike Price]	[●]
[Barrier Event]	[Describe Barrier Event, e.g. level below or above which the underlying or a basket component trades]

[Rebate]	[Describe rebate mechanism]
Redemption	[Insert redemption payment details, including formulas]
[Subscription Period]	[Subscriptions for these Products can be made until [●]. The Issuer shall have the right, to reduce the number of Products issued or to withdraw them from the issue for any reason. Furthermore, the Issuer shall have the right to close the offer prematurely or to postpone the Subscription Period.] [●]
[Reference Market]	[●]
Fixing date	[●]
Initial Fixing Level	[●]
Final Fixing Level	[●]
Issue Date	[●]
Fees	[●]

Further terms

Form of the Products	[Intermediated Securities] / [●]
[Clearing System]	[SIX SIS Ltd.]
Secondary market	[The Issuer has not and will not apply for the Products to be listed or traded on any securities exchange or trading venue. Section 9.8 of the Base Prospectus applies.] [●]
Business Day Convention	[Modified] [Following] [Adjusted] [●]
Public offering	[Switzerland] [None] [●]
Material changes	[Apart from what has been published or disclosed in the Product Documentation (including any documents incorporated by reference therein), there has been no material change in the Issuer's assets, financial or revenue position since the end of its last year-end or quarterly financial report.] [●]
Responsibility	PKB Private Bank SA, accepts responsibility for the information contained in these Final Terms and declares that, to its knowledge, the information contained herein is accurate and does not omit any material circumstances
Taxes	[●]
Notices	[●]
Governing law / jurisdiction	Swiss law / Lugano

[Insert further details of the product description, if applicable]

Product documentation

[For indicative final terms, add the following:]

These Indicative Final Terms contain the non-binding indicative final terms for the Product and such terms are subject to change. The Final Terms will be made available on the Issue Date.

The Indicative Final Terms together with the base prospectus of PKB Private Bank SA for the issuance of certain structured products dated [●] (the "**Base Prospectus**") shall form the non-binding and indicative documentation for this Product (the "**Indicative Product Documentation**"), and accordingly the Indicative Final Terms should always be read together with the Base Prospectus and any supplements thereto. Definitions used in the Indicative Final Terms, but not defined herein shall have the meaning given to them in the Base Prospectus.

The Indicative Product Documentation can be obtained free of charge from the Issuer (*add email and phone number*). Notices in connection with this Product shall be validly given by publication as described in the Base Prospectus.

Upon the replacement of the Base Prospectus by a successor version of the Base Prospectus the Indicative Final Terms are to be read together with the latest valid successor version of the Base Prospectus (each, a "**Successor Base Prospectus**") which has succeeded either (i) the Base Prospectus, or (ii) if one or more Successor Base Prospectuses to the Base Prospectus have already been published, the most recently published Successor Base Prospectus, and the term "Indicative Product Documentation" shall be interpreted accordingly.

[For final terms, add the following:]

These Final Terms contain the final terms for the Product.

The Final Terms together with the base prospectus of PKB Private Bank SA for the issuance of certain structured products dated ● (the "**Base Prospectus**") shall form the binding and final documentation for this Product (the "**Product Documentation**"), and accordingly the Final Terms should always be read together with the Base Prospectus and any supplements thereto. Definitions used in the Final Terms, but not defined herein shall have the meaning given to them in the Base Prospectus.

The Product Documentation can be obtained free of charge from the Issuer (*add email and phone number*). Notices in connection with this Product shall be validly given by publication as described in the Base Prospectus.

Upon the replacement of the Base Prospectus by a successor version of the Base Prospectus the Final Terms are to be read together with the latest valid Successor Base Prospectus which has succeeded either (i) the Base Prospectus, or (ii) if one or more Successor Base Prospectuses to the Base Prospectus have already been published, the most recently published Successor Base Prospectus, and the term "Indicative Product Documentation" shall be interpreted accordingly.

Profit and loss expectation

Profit and loss expectation at maturity[/year 1]	[●]
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Material risks

Credit risk relating to the Issuer	[Investors in this Product should be experienced investors and familiar with both structured products in general and the market for any Underlying. Potential investors should understand the risks associated with an investment in the Product and shall only reach an investment decision after careful considerations with their legal, tax, financial and other advisors of (i) the suitability of an investment in the Product in the light of their own particular financial, fiscal and other circumstances (ii) the information set out in this document and (iii) any Underlying.
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	In addition to the market risk with regard to the development of the Underlying, each investor bears the general risk that the financial situation of the Issuer could deteriorate. The Products constitute immediate, unsecured and unsubordinated obligations of the Issuer, which, particularly in case of insolvency of the Issuer, rank <i>pari passu</i> with each and all other current and future unsecured and unsubordinated obligations of the Issuer, with the exception of those that have priority due to mandatory statutory provisions.]
Specific product risks	[Add specific risks]

Additional terms

Other terms	[•]
Selling restrictions	The Selling Restrictions listed in the Base Prospectus apply – [United States, EEA, United Kingdom]

16 DEFINITIONS

The following definitions are applicable to all Products issued under this Programme by the Issuer and shall be read jointly with the other parts of the Conditions, including the Issue Terms. The following definitions are in addition to other terms as may be defined elsewhere in this Base Prospectus or the Issue Terms.

"871(m)" means U.S. Internal Revenue Code Section 871(m) and any regulations or guidance promulgated thereunder.

"Affiliate" means, any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer or any entity, directly or indirectly, under common control with the Issuer. For these purposes, 'control' means ownership of a majority of the voting power of an entity.

"Agents" means the Paying Agent, the Calculation Agent and any 'Additional Agents' specified in the Issue Terms.

"Barrier Event" means, if provided in the Issue Terms, the fact that the Underlying reaches, exceeds or falls below a certain price threshold (such threshold, a **"Barrier"**) during the relevant Observation Period. The Issue Terms may specify both an upper and a lower Barrier.

"Base Prospectus" has the meaning as set forth on the cover page of this document.

"Basket" means in respect of any Underlying, the basket in which such Underlyings are included, as may be specified in the relevant Issue Terms.

"Basket Component" means the component or components of a Basket (which may vary during the lifetime of the Products in accordance with the terms and conditions set out in the relevant Issue Terms and this Base Prospectus).

"Business Day" means any other day (other than a Saturday or Sunday) on which commercial banks are generally open to settle payments in Lugano.

"Business Day Convention" means the determinations regarding Business Days pursuant to Section 9.4.6.

"Changed Secured Financing Ability" means that the Hedging Entity would incur a material change (as compared with circumstances existing on the Issue Date) in its ability to acquire, hold, substitute or securely finance specific assets used for the partial or entire hedge of the Issuer's exposure in relation to the Products, as determined by the Hedging Entity. A Changed Secured Financing Ability includes, in particular, a material increase in the costs of acquiring, holding, substituting or financing assets used to hedge the Issuer's exposure in relation to the Products.

"Calculation Agent" means the entity who assumes this function as per the Issue Terms.

"Cash Settlement" has the meaning set forth in Section 9.4.11.

"Cash Settlement Amount" means, in the event of a Cash Settlement, the amount to be paid to the Holders on the Redemption Date (as the case may be, expressed as a fixed amount, as a percentage of the denomination, par value of the Product, or as an amount to be determined by the Issuer or the Calculation Agent based on a formula).

"Cap" means, if specified in the Issue Terms, the maximum Cash Settlement Amount owed in respect of the relevant Product on the Redemption Date. Unless otherwise provided in the Issue Terms, the Cap is inclusive of any bonus amount provided in the Issue Terms.

"Clearing System" means the clearing system for the Products, as specified in the Issue Terms, provided that if the Products are in the form of Intermediated Securities and that no Clearing System is specified in the Issue Terms, the Clearing System shall be SIX SIS.

"Closing Price" means, in respect of an Underlying, the official closing price of such Underlying on the Reference Market.

"**CO**" means the Swiss Code of Obligations.

"**Coupon**" means the interest payable on the denomination, as specified in the Issue Terms.

"**CRS**" means the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development, and any local implementing legislation, regulations and guidance issued thereunder.

"**Day Count Fraction**" means the determinations regarding the calculation of interest payments pursuant to Section 9.4.7.

"**Delivery Expense**" means any expense, depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other Taxes or duties, that arise from the delivery and/or transfer of any Underlying or Basket Component.

"**Downside Participation**" means that the Holder is participating in the decrease in the price of any Underlying.

"**Early Redemption Amount**" means, in respect of each Product, an amount in any Settlement Currency to be determined by the Issuer and/or the Calculation Agent on the basis of the Fair Market Value less any breakage costs, taking into account the event that led to the early termination, determined by the relevant Issuer and/or the Calculation Agent in its discretion. As used herein, breakage costs are the losses or costs of the Issuer or any of its Affiliates incurred as a result of the early termination of the Products, in particular due to the need to terminate, amend or replace hedging arrangements.

"**Exchange Rate**" means, with respect to the Underlying and any relevant date, the exchange rate on or around the specified time on that date between a currency and another currency, as specified in the Issue Terms.

"**FATCA**" means Sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended (enacted in 2010 as part of the Foreign Account Tax Compliance Act), and the regulations and other guidance promulgated thereunder, including any intergovernmental agreements concluded between the United States and any other jurisdiction, and any such other jurisdiction's implementing legislation, regulations and guidance related thereto.

"**Fair Market Value**" means the value of the Product, as determined by the Calculation Agent in its discretion, which is calculated on the basis of the market value of the relevant Underlying and of the relevant market conditions after deduction of the costs of the Issuer for unwinding any related underlying hedging arrangements.

"**FINMA**" means the Swiss Financial Market Supervisory Authority FINMA.

"**FX Disruption Event**" means the occurrence of an event that makes it impossible for the Issuer and/or its Affiliates to either (a) convert a Relevant Currency into the Settlement Currency or (b) deliver the Settlement Currency from accounts within the Relevant Country to accounts outside such jurisdiction or (c) deliver the Relevant Currency between accounts within the Relevant Country to a person that is a non-resident of that jurisdiction.

"**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (A) 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 Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Entity**" means the Issuer or any Affiliates or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions in respect of the Issuer's obligations arising from the Products.

"**Holder**" means a person having legal title to a Product.

"Increased Cost of Hedging" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense, fee or other cost (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) that the Hedging Entity deems necessary to hedge the risk in respect of entering into and performing its obligations under the relevant Products, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Index" means, in respect of any Product with an index as Underlying, each index specified in the relevant Issue Terms and published by the relevant Index Sponsor.

"Index Sponsor" means

"Initial Fixing Date" means the calendar day specified in the relevant Issue Terms or, if this day is not a Business Day, the next Business Day.

"Initial Fixing Level" means an amount determined by the Calculation Agent, as specified in the Issue Terms.

"Issue Date" means the date on which the Products are issued, as specified in the Issue Terms.

"Lead Manager" means the entity who assumes this function as per the Issue Terms.

"Negative Value" means, as determined by the Issuer, that the Product at any time has a Fair Market Value of zero or less than zero.

"Non-Equity Securities" means a security or financial instrument that is not a Share and is also not an instrument subject to Sections 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7 and 10.8.

"Observation Period" means, if provided in the Issue Terms, a period during which the occurrence of certain events (e.g. a Barrier Event) may trigger consequences. If no Observation Period is provided in the Issue Terms, the Observation Period shall start on the Initial Fixing Date (inclusive) and end on the Final Fixing Date (inclusive).

"Participation Rate" means, if provided in the Issue Terms, the percentage of the participation of the Holder in any increase (or decrease) of the price of any Underlying in relation to the Strike Price. If the Issue Terms do not specify whether the Participation Rate is in relation to an increase (Upside Participation) and/or a decrease of the price of any Underlying (Downside Participation), it shall only be in relation to an increase of the price of any Underlying.

"Paying Agent" means the entity who assumes this function as per the Issue Terms.

"Physical Settlement" has the meaning set forth in Section 9.4.11.

"Quanto" or **"Quanto Product"** means, with respect to a Product, that the Product is denominated in a currency other than the currency of the Underlying or a Basket Component and hedged in favor of the Holders to take account the resulting currency risk, such hedge having the effect that a change in the exchange rate between the relevant currencies does not affect the redemption. Gains or losses due to exchange rate fluctuations are not passed on.

"Redemption Amount" means, if specified in the Issue Terms, the amount to be paid to Holders upon redemption of the Product.

"Redemption Date" the calendar day specified in the relevant Issue Terms on which the Cash Settlement or the Physical Settlement, as applicable, has to be made.

"Reference Market" means (a) the exchange(s) or quotation system(s) on which the relevant Underlying, a Basket Component or any other component underlying the Derivative is traded; (b) any successor or replacement to such exchange(s) or quotation system(s) referred to in (a) (provided that the relevant Issuer or the Calculation Agent has determined that the relevant exchange(s) or quotation system(s) qualify as successor or replacement exchange(s) or

quotation system(s)); or (c) the exchange(s) or quotation system(s) specified in the relevant Final Terms.

"Related Exchange" means, as may be specified in the Issue Terms, the reference trading venue exchange on which options or futures contracts relating to any Underlying or Basket Component are traded or quoted.

"Relevant Currency" means a currency in which an Underlying is denominated and/or traded on the Reference Market.

"Relevant Country" means, with respect to any currency, the country or countries which use such currency as legal tender.

"Settlement Currency" means a currency specified in the Issue Terms, provided that if the Issue Terms do not provide for such a currency, the Settlement Currency shall be the currency in which the Products are denominated.

"Settlement Date" means the Redemption Date.

"Settlement Disruption Event" means an event beyond the control of the Issuer and/or the Paying Agent as a result of which the Issuer and/or the Paying Agent cannot make (a) a payment and/or (b) a delivery of one or more asset(s), in each case to the Holders directly, to the relevant Clearing System and/or to the relevant intermediary as and when such payment or delivery is due to be made.

"Share" means a share, depository receipt, participation certificate (*Partizipationsschein*), profit participation certificate (*Genussschein*) or any other equity security.

"SIX SIS" means SIX SIS AG, the central securities depository.

"SSPA" means the Swiss Structured Products Association.

"Strike Price" means, in relation to capital protection Products (*i.e.* Products referred to as belonging to SSPA category 11 in their Issue Terms), the price from which the Holder participates in any increase of any Underlying, as specified in the Issue Terms, provided that, if no Strike Price is specified, the Strike Price shall be the Initial Fixing Level.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Event" means any of the following, provided, that such obligation cannot be avoided by the Issuer taking reasonable measures (other than the substitution of the Issuer) available to it: (a) that the Issuer on the occasion of a payment or delivery due under the Products, has or will become obliged to pay additional amounts as a result of (i) any change in, or amendment to, the laws or regulations of any jurisdiction in which the Issuer is or becomes subject to tax or any authority thereof or therein having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; or (b) any amount is or will be required to be deducted or withheld, including under FATCA or 871(m), and this results, or would result, in the Issuer receiving amounts that are smaller than the Issuer would have received had no such withholding been imposed.

"Trading Day" any day that is scheduled to be a trading day of the Reference Market, subject to the occurrence of a Market Disruption Event.

"Underlying Business Day" means:

- a. in respect of Products with any Share or, as the case may be, a Basket of Shares as Underlying, a Trading Day on which (a) the Reference Market is operating and the Share is traded, and (b) the futures or options on the relevant Share (if any) are traded on the Related Exchange or, if no Related Exchange has been specified in

the Issue Terms, on an exchange on which option or futures contracts referencing the relevant Share generally are traded, subject to any Market Disruption Event;

- b. in respect of Securities with any Index or, as the case may be, a Basket of Indices as Underlying, a day on which the relevant Index is calculated and published by the Index Sponsor, subject to any Market Disruption Event;
- c. in respect of Securities with any Underlying other than any Share or any Index or, as the case may be, a Basket of Shares or a Basket of Indices, if the value of such Underlying is determined (a) by way of a reference to a publication of an official fixing, a day on which such fixing is scheduled to be determined and published by the respective fixing sponsor, subject to any Market Disruption Event; (b) by way of reference to an official cash settlement price, a day on which such official cash settlement price is scheduled to be determined and published by the respective exchange or any other official announcing party, subject to any Market Disruption Event; (c) by way of reference to a price or value source including, without limitation, information providers such as Reuters or Bloomberg, a day on which such price or value source still exists and officially provides for the respective price or value, subject to any Market Disruption Event; (d) by way of reference to an official settlement price a day on which the Reference Market is scheduled to be open for trading for its respective regular trading session, notwithstanding any such Reference Market closing prior to its scheduled closing time; (e) by the Calculation Agent at a specific time on a specific date, without reference to any source, a day on which the Calculation Agent can enter into a spot transaction with another counterparty, depending on both parties' respective opening hours;
- d. in respect of Securities with more than one Underlying, irrespective of their nature, and with an income deriving from the calculated number of Underlying Business Days within a pre-defined period of time, a day, on which at least one of the relevant Underlyings can be determined in accordance with a) to d) above, it being understood that for the purpose of the respective income calculation only, the other Underlyings for which such day is not a scheduled Underlying Business Day will be assessed based on their levels of the previous Underlying Business Day.

"Unscheduled Early Redemption Amount" means, in relation to a Product, an amount equal to the Fair Market Value of such Product at the time of the event triggering the early redemption (including the value of accrued interest (if applicable)). Such amount shall be determined as soon as reasonably practicable following the event giving rise to the early redemption of the Products and by reference to such factors as the Calculation Agent considers to be appropriate including, without limitation:

1. market value of any Underlying and other relevant economic variables (such as interest rates, volatility and, if applicable, exchange rates) at the Relevant Time;
2. the remaining life of the Products had they remained outstanding to scheduled maturity and/or any scheduled early redemption date;
3. the value at the Relevant Time of any minimum redemption which would have been applicable had the Products remained outstanding to scheduled maturity and/or any scheduled early redemption date;
4. internal pricing models;
5. prices at which other market participants might bid for instruments similar to the Products; and
6. adjustments to account for any associated losses, expenses or costs incurred (or which would be incurred) by the Issuer as a result of unwinding, establishing, re-establishing and/or adjusting any hedging arrangements in relation to the Products.

"Underlying" means an underlying asset to the Product, as specified in the Issue Terms.

"Upside Participation" means that the Holder is participating in an increase in the price of any Underlying.

"Weight" means for each Basket of Underlyings, the weight specified for such Underlying or underlying constituents or components of the Products, as specified in the relevant Issue Terms.