

Terms and Conditions

I. PREAMBLE

Any offers of the Notes described in this Term Sheet will be subject to the restrictions of Directive 2003/71/EC of the European Parliament and of the Council of November 4th, 2003 (the "Prospectus Directive") including any relevant implementing measures in each Member State of the European Economic Area in which the Prospectus Directive has been implemented. Potential investors into whose possession this Term Sheet comes are required by the Issuer to inform themselves about and to observe these restrictions. Any offers made in violation of these restrictions will be unlawful.

This product does not represent a collective investment scheme and is not subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. Investors in this product are therefore not eligible for the specific protection under the Collective Investment Schemes Act (CISA).

These Notes are governed by the Terms and conditions of the Base Prospectus (the "Prospectus") and the relating Final Terms.

Terms in upper cases which are not defined herein have the meaning given to them in the Prospectus.

The Prospectus is available upon request to Kepler Cheuvreux ("KECH").

Please contact Kepler Cheuvreux Investment Solutions for subscriptions at kcs.amc@keplercheuvreux.com
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II. PRODUCT CHARACTERISTICS

Portfolio Certificate : This Product (each a "**Portfolio Certificate**" and collectively the "**Portfolio Certificates**") allows for participation in the performance of the Reference Portfolio, which is calculated net of relevant costs and fees, as further described below.

Reference Portfolio : The Aqua Portfolio (the "**Reference Portfolio**") is a USD (the "**Reference Portfolio Currency**") denominated reference portfolio, created, advised on, and maintained by the Reference Portfolio Advisor in accordance with the provision in the description of the Reference Portfolio (the "**Reference Portfolio Description**") in Annex 1.

The Reference Portfolio aims to replicate the performance of:

- (i) A cash position denominated in the Reference Portfolio Currency (the "**Cash Position**"),

combined with (each of the below referred to as a "**Constituent**" and together the "**Constituents**"),

- (ii) long only positions in stocks (each a "**Stock Constituent**") comprised in the Stock Investment Universe,

The Cash Position together with the Constituents shall be referred to as the "**Reference Portfolio Components**".

The performance of the Reference Portfolio will be net of the relevant fees and costs described herein.

The notional value of the Reference Portfolio on the Pricing Date is the Initial Reference Portfolio Level.

Whilst the Reference Portfolio Level and the Redemption Amount is linked to the value of the Reference Portfolio Components, the Issuer may or may not invest the proceeds of the issuance of the Portfolio Certificates in any Reference Portfolio Component at any time for the purposes of hedging its obligations under this Product. In the event the Issuer elects to invest the proceeds in any Reference Portfolio Component for the purpose of hedging its obligations

under this Product, the holders of the Portfolio Certificates will not have any direct interest or beneficial ownership in any Reference Portfolio Component at any time.

Security Numbers	: Valor: 44738064 / ISIN: DE000US778A6 / WKN: US778A
Issue Size	: Up to 100,000 Units (with reopening clause)
Denomination	: USD 100
Issue Price	: USD 100 per Unit (unit quotation)
Quoting Type	: Secondary market prices are quoted in unit price and dirty
Initial Reference Portfolio Level	: 100.00
Settlement Currency	: USD
Settlement	: Cash Settlement
Currency Treatment	: The Reference Portfolio may be exposed to Constituents denominated in currencies other than the Settlement Currency.
Dividend Treatment	: In respect of any Constituents which are, or include, U.S. equity securities, for purposes of determining the amount of a dividend treated as notionally reinvested, such dividend shall be reduced by the 30% withholding tax imposed by Section 871(m) of the U.S. Internal Revenue Code of 1986, as amended. For long positions in Stock Constituents, a notional amount reflecting net dividends of such Constituents will be reinvested into the respective Constituent on the ex-dividend date of that Stock Constituent.
Dates	
Launch Date	: 29 June 2021
Pricing Date ("Pricing")	: 29 June 2021
Issue Date / Payment Date	: 6 July 2021
Last trading Day	: 29 June 2031
Expiration Date (« Expiry »)	: 29 June 2031 (subject to Market Disruption Events provisions, Early Termination by the Issuer, Automatic Early Termination and Unwind Disruption provisions), extendable once at the option of the Issuer for an additional 10 years period (from the initial scheduled Expiration Date stated above), with a notice period of not less than 180 calendar days prior to the scheduled Expiration Date. With respect to the initial scheduled Expiration Date, and in case of an extension of the term, the investor may no later than 90 calendar days prior to the initial scheduled Expiration Date request in writing from the Issuer that part or all of investment in the Portfolio Certificates shall be redeemed on the Redemption Date following the scheduled Expiration Date. If the initial scheduled or extended Expiration Date is not a Constituents Business Day, then such Expiration Date shall be the first following day that is a Constituents Business Day, unless the Calculation Agent determines, in its sole and reasonable discretion, that the Expiration Date shall remain as scheduled.
Redemption Date	: The 5th Business Day following the Expiration Date, the Early Termination Date or the Automatic Early Termination Date (in any case subject to Market Disruption Event provisions).

Redemption

Redemption Amount : Each Portfolio Certificate entitles the investor to receive on the Redemption Date an amount in the Settlement Currency, as calculated by the Calculation Agent, according to the following formula:

$$\text{Denomination} \times \max \left(0 ; \frac{\text{Final Reference Portfolio Level}}{\text{Initial Reference Portfolio Level}} - \text{Fees} \right)$$

Where:

"Final Reference Portfolio Level" means the Reference Portfolio Level as determined by the Calculation Agent on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date (as applicable) and subject to Unwind Disruption, as the sum of:

- i) the unwind proceeds as converted into the Settlement Currency where applicable, using the prevailing currency exchange rate, as determined by the Calculation Agent in its sole and reasonable discretion, that would be realized by a notional investor (in the same position as the Issuer) when selling and/or unwinding the prevailing Constituents comprising the Reference Portfolio; and
- ii) the value of the Cash Position minus any accrued but not yet deducted Rebalance Fee, Reference Portfolio Advisor Performance Fee and Reference Portfolio Fee.

In the event that a notional investor (in the same position as the Issuer) would be unable to unwind its positions in the Constituents by or on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as determined by the Calculation Agent in its sole and reasonable discretion (such event an **"Unwind Disruption"**), the Issuer reserves the right to postpone the Expiration Date, the Early Termination Date or the Automatic Early Termination Date in accordance with the Market Disruption Events provisions below.

Please note that the Redemption Amount may be less than the initially invested capital.

Early Termination by Issuer : The Issuer is entitled to terminate the Portfolio Certificates early in full subject to the following notice period:

Quarterly, i.e. as of each 31 March, 30 June, 30 September and 31 December of each year (the **"Early Termination Date"**), subject to at least 30 Business Days prior notice being given to the investors (provided in each case if such day is not a Constituents Business Day, then the immediately following Constituents Business Day shall be the Early Termination Date). The first possible Early Termination Date will be 30 September 2020. There is no early termination right for the investor in the Portfolio Certificates.

Automatic Early Termination : Should the Reference Portfolio Advisor cease to be or to act as the Reference Portfolio Advisor the Product will automatically terminate (the **"Automatic Early Termination"**) on the week day immediately following the date on which such event occurs (the **"Automatic Early Termination Date"**), unless the Calculation Agent determines, in its sole and reasonable discretion, that the Automatic Early Termination Date shall occur on the day on which such event occurs. No notice period shall apply in that case.

Reference Portfolio Level : Except on the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, the Calculation Agent shall calculate the Reference Portfolio Level in its sole and reasonable discretion in respect of each week day, subject to a Market Disruption Event (each a **"Reference Portfolio Calculation Date"**).

The Reference Portfolio Level in respect of each Reference Portfolio Calculation Date is the sum of (i) the closing price or value of each Constituent on such Reference Portfolio Calculation Date (taking into account the number of units of each Constituent in respect of which the Reference Portfolio has exposure), and (ii) the value of the Cash Position, all of the above as determined by the Calculation Agent in its sole and reasonable discretion.

In respect of the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, the Reference Portfolio Level shall be determined by the Calculation Agent in accordance with the provisions under **"Redemption Amount"** above.

Fees

Reference Portfolio Fee : The Reference Portfolio Fee is the sum of the **Advisory Fee, Issuer Fee and Reference Portfolio Advisor Fee** and the **Distribution Fee**. The Reference Portfolio Fee shall be accrued within, and deducted from, all Reference Portfolio Components proportionally.

If the allocation is only Developed Market and cash, then the Reference Portfolio Fee would be **1.60% per annum** deducted from the respective Reference Portfolio Level.

The definition and breakdown of each fee is described below:

Advisory Fee (calculated daily) : A fee of 0.10% per annum of the Reference Portfolio Level will be deducted from the Reference Portfolio Level on a pro-rata daily basis as determined by the Calculation Agent.

Distribution Fee (calculated daily) : A fee of 1.20% per annum of the Reference Portfolio Level will be deducted from the Reference Portfolio Level on a pro-rata daily basis as determined by the Calculation Agent.

Issuer Fee and Reference Portfolio Advisor Fee: The Issuer and the Reference Portfolio Advisor will receive a fee of;

- (i) 0.30% per annum in respect of all other Reference Portfolio Components,
- (ii) 0.50% per annum in respect of Asian Stock Constituents that classified as emerging market stocks (according to the most recent MSCI Global Investable Market Indexes Methodology),
- (iii) 1.05% per annum in respect of Stock Constituents that are trading in Brazil

deducted from the respective Reference Portfolio Level and the certificate, with part of it managed by the Reference Portfolio Advisor.

Reference Portfolio Advisor Performance Fee (High Water Mark) : A fee, as defined below, levied on the positive daily performance of the Reference Portfolio, as calculated by the Calculation Agent.

On any weekday, the Reference Portfolio Advisor Performance Fee will be applied as a percentage number to the positive difference, if any, between the Gross Reference Portfolio Level in respect of the current week day, as calculated by the Calculation Agent and as described below, and the High Water Mark Level ("HWM") on the week day immediately preceding the current week day, as calculated by the Calculation Agent and as further described below. The product of the Performance Fee and this difference is deducted from the Gross Reference Portfolio Level in respect of the current weekday to provide the Reference Portfolio Level in respect of the current week day, as reflected by the following formula:

$$RPL_t = GRPL_t - \text{Max} [PF \times (GRPL_t - HWM_{t-1}) ; 0]$$

Where:

"PF": The Performance Fee of 15.00%;

Reference Portfolio Level ("RPL_t"): The Reference Portfolio Level in respect of week day "t";

Gross Reference Portfolio Level ("GRPL_t"): The Gross Reference Portfolio Level on each week day "t" is the Reference Portfolio Level as of the immediately preceding week day "t-1", adjusted for the performance of the Reference Portfolio on week day "t", net of the Reference Portfolio Fee and Rebalance Fee (if applicable) for such week day "t", and before the application or deduction of the Reference Portfolio Advisor Performance Fee for such week day, if any, as described above; and

High Water Mark Level ("HWM_t"): The HWM on the Pricing Date shall be 100.00% of the Initial Reference Portfolio Level. On each subsequent Business Day "t", the HWM Level shall be the greater of the HWM Level on the immediately preceding week day "t-1" and the Gross Reference Portfolio Level in respect of the current week day.

Portfolio Certificates bought in the secondary market will reflect the current High Water Mark Level. As such, if the current High Water Mark Level is above the current Reference Portfolio Level, such Portfolio Certificates will not accrue the Reference Portfolio Advisor Performance Fee until the Reference Portfolio Level is above the current High Water Mark Level.

The Reference Portfolio Advisor Performance Fee shall be accrued within, and deducted from, all Reference Portfolio Components proportionally.

Rebalance Fee : A Rebalance Fee is levied for each Rebalancing, as defined in Annex 1, made in the Reference Portfolio and represents a percentage of the volume notionally acquired or unwound in a Constituent. Unwind costs to determine the Final Reference Portfolio Level shall constitute Rebalance Fees.

In respect of each Constituent, the Rebalance Fee is equal to:

- Stock Constituents: 0.05%

The Rebalance Fee shall be accrued within, and deducted from, the Cash Position.

The Rebalance Fees fully remain with the Issuer.

Product Structure

The Product allows for participation in the performance of the Reference Portfolio, which is calculated net of relevant fees and costs. The Reference Portfolio is a notional actively advised portfolio, created and maintained by the Reference Portfolio Advisor.

General Information

Issuer	: UBS AG, Zurich and Basel, Switzerland
Issuer Rating	: Aa3 Moody's / A+ S&P's / AA- Fitch This is the long term credit rating of the Issuer and it does not represent ratings of the Portfolio Certificates. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Issuer Supervisory Authority	: Swiss Financial Market Supervisory Authority (FINMA). London Branch additionally Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA). Jersey Branch additionally Jersey Financial Services Commission (JFSC).
Lead Manager	: UBS AG, Zurich
Calculation Agent	: UBS AG, London Branch
Paying Agent	: UBS Switzerland AG
Listing	: None
Public Offering	: None
Reference Portfolio Advisor	: Kepler Cheuvreux (Suisse) SA Please note that the Reference Portfolio Advisor may not only act as Reference Portfolio Advisor with regard to the Reference Portfolio, but may at the same time act as asset manager or financial consultant with regard to investors in the Portfolio Certificates, which may induce potential conflicts between investors' interests and Reference Portfolio Advisor's interests. If this is the case, investors may contact the Reference Portfolio Advisor in order to assess how such potential conflicts are mitigated.
Reference Portfolio Sub Advisor Supervisory Authority	: The Reference Portfolio Advisor is supervised by FINMA.
Reference Portfolio Sub Advisor	: Synapse Invest Sarl
Business Days	: Any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York.
Constituents Business Day	: Any day on which (i) in respect of a Constituents, the Exchange and Related Exchange are scheduled to be open for trading, notwithstanding any day on which they close for business prior to their regular weekday closing time and (ii) the Calculation Agent is open for business.
Exchange	: The primary exchange, if applicable, on which the Constituents are listed and publicly quoted and traded, as determined by the Calculation Agent from time to time.
Related Exchange	: Means the principal exchange (if any) on which options or futures contracts relating to the Constituents are traded or quoted, as determined by the Calculation Agent.
Secondary Market	: Daily price indications including accrued interest will be published on Bloomberg and Telekurs. Under normal conditions, Kepler Cheuvreux may, in its sole discretion and on a reasonable effort basis, provide a secondary market during life of the Certificates with an indicative bid offer spread of 1.0%. There can be no assurance as to the price at which Kepler Cheuvreux would offer to purchase the Certificates.

Furthermore, under some circumstances, the secondary market may be limited and subject to wider bid offer spreads (see Liquidity Risk).

Minimum Investment	: 1 Unit(s) (subject to Selling Restrictions)
Minimum Trading Lot	: 1 Unit(s)
Entry Fee	: Optional entry fees up to 2%
Clearing	: SIX SIS, Euroclear, Clearstream (registered as intermediated securities with SIX SIS AG, in Switzerland)
Form of deed	: Uncertificated Securitates
Status	: Unsecured / Unsubordinated
Governing Law / Jurisdiction	: Switzerland / Zurich
Product	: One USD denominated Portfolio Certificate (the "Unit") is equivalent to one (1) "Product". "Products" wherever used herein shall be construed to mean integral multiples of the same, subject to the issue size.

Adjustments and Market Disruption Events

Adjustments to the composition of the Reference Portfolio : If, at any time, an event occurs in relation to a Constituent which the Calculation Agent determines requires an adjustment(s) to be made to the composition of the Reference Portfolio, then the Calculation Agent shall (i) determine which adjustment(s) are to be made to the Constituent with a view to account for the effect of the relevant event and to preserve the prevailing composition of the Reference Portfolio immediately prior to the occurrence of such event and (ii) determine the date on which such adjustment(s) shall take effect.

Market Disruption Events : A Market Disruption Event means, in relation to a Constituent (or an Eligible Constituent in respect of a Rebalance only), the occurrence or existence on any calendar day (other than a Saturday or Sunday) or on any number of consecutive calendar days (other than a Saturday or Sunday) any one or more of the following events:

- (i) a limitation, suspension, or disruption of trading in one or more of the Constituents (or component of any Constituent) imposed by the Exchange or the Related Exchange;
- (ii) the closing or settlement price for any Constituent (or component of any Constituent) is a "limit price", which means that the closing or settlement price for such Constituent for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable rules of the Exchange or the Related Exchange;
- (iii) failure by the Exchange, the Related Exchange or other price source as applicable to announce or publish the closing or settlement price in respect of any Constituent (or component of any Constituent)
- (iv) the Exchange or the Related Exchange fails to open for trading during its regular trading session;
- (v) the closure on any Exchange Business Day of any Exchange or Related Exchange in respect of a Constituent (or component of any Constituent), prior to its Scheduled Closing Time;
- (vi) any event (other than an early closure as described above) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for any Constituent (or any Eligible Constituent in respect of a Rebalancing only or component thereof);
- (vii) a loss of Stock Borrow has occurred;
- (viii) an FX Disruption Event has occurred;

if in the determination of the Issuer or Calculation Agent, any such event is material.

The consequences of a Market Disruption Event are as follows:

(A) In the event that the Calculation Agent determines that a Constituents Business Day is a Disrupted Day with respect to a Constituent (or an Eligible Constituent in respect of a Rebalancing only) selected by the Reference Portfolio Advisor for the purposes

of a Rebalancing, then such Constituent shall not be notionally sold or purchased on the intended effective date of the relevant Rebalancing.

- (B) In the event that the Calculation Agent determines that any Reference Portfolio Calculation Date is a Disrupted Day with respect to any Constituent, then for the purposes of determining the Reference Portfolio Level as at such Reference Portfolio Calculation Date, (a) the price of each Constituent not affected by the occurrence of such Disrupted Day shall be the closing price of such Constituent on the relevant Exchange or Related Exchange and (b) the price of each Constituent affected by the occurrence of such Disrupted Day shall be determined by the Calculation Agent in its good faith estimate of the fair market value (which may be zero) of such Constituent as of such Reference Portfolio Calculation Date.
- (C) If the Calculation Agent determines that the date scheduled to be the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, is a Disrupted Day in respect of any Constituent, such date shall be the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, for those Constituents which are not affected by the occurrence of a Disrupted Day while the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, for any Constituent that is affected by the occurrence of a Disrupted Day shall be postponed to the following Constituents Business Day with respect to such Constituent. If in respect such Constituent the Disruption Day is persisting for up to 8 (eight) Constituents Business Days immediately following the date scheduled to be the Expiration Date, the Early Termination Date or the Automatic Early Termination Date, as applicable, the price of such Constituent shall be determined by the Calculation Agent by reference to its good faith estimate of the value for such Constituent on that eighth Constituents Business Day.
- (D) On the occurrence of an FX Disruption Event, the value of any Constituent not denominated in the Settlement Currency shall be determined by the Calculation Agent in its sole and reasonable discretion and the Calculation Agent shall have the right to adjust the value of the Reference Portfolio to account for such FX Disruption Event.

Disrupted Day : Any day on which the Calculation Agent determines that, in relation to a Constituent or Eligible Constituent, a Market Disruption Event has occurred.

FX Disruption Event : Means (i) an event that generally makes it illegal, impossible, impractical or inadvisable to convert 1 (one) unit of the currency in which any non-USD denominated Constituent is denominated (the "Denomination Currency") into the Settlement Currency, or an event that generally makes it impossible to deliver the Settlement Currency from accounts in which they are held to accounts outside of the jurisdiction of the Denomination Currency; or (ii) the general unavailability to exchange the Settlement Currency at a spot rate (applicable to the purchase of the Settlement Currency for the Denomination Currency) in any legal currency exchange market in the principal financial centre for the Denomination Currency, if, in the determination of the Calculation Agent, the occurrence of any such events is material.

Tax Treatment Switzerland

Swiss Federal Stamp Duty : The product does not qualify as a taxable security (TK 24/3).

Swiss Federal Income Tax : For private investors resident in Switzerland this product is treated analogous to a share in a reinvesting collective investment vehicle. The taxable income per share will be determined and will be reported to the Swiss Federal Tax Administration annually for publication in the list of tax values (Kursliste).

Closing date (for Swiss tax purposes): January 1, for the first time January 1, 2022.

Swiss Withholding Tax : The product is not subject to the Swiss Withholding Tax.

The tax information only provides an indicative general overview of the potential tax consequences linked to this product at the time of issue. Tax laws and tax doctrine may change, possibly with retroactive effect.

Classification

This Product does not represent a participation in any of the collective investment schemes pursuant to Art. 7 et seqq of the Swiss Federal Act on Collective Investment Schemes (CISA) and thus does not require an authorisation of the Swiss Financial Market Supervisory Authority (FINMA). Therefore, investors in this Product are not eligible for the specific investor protection under the CISA. Moreover, investors in this Product bear the issuer risk.

Furthermore, this Product does not benefit from any depositor protection under Art. 37a under the Swiss Federal Law on Banks and Savings Banks (Banking Act) or other forms of deposit insurance under any other law as might be applicable to this Product.

III. IMPORTANT INFORMATION

Selling Restrictions

For selling restrictions and other details see the Prospectus which sets out standard selling restrictions including notably a permanent restriction on sales to US Persons.

European Economic Area

This Term Sheet is addressed solely to (i) persons outside the European Economic Area and/or (ii) Qualified Investors (as defined in the Prospectus Directive) (all such persons in (i) and (ii) together being referred to as "Relevant Persons").

By being in receipt of this Term Sheet you acknowledge, represent and agree that (i) you will not distribute, forward, copy, reproduce or otherwise pass on this Term Sheet to any person who is not a Relevant Person, (ii) you are aware of and understand the requirements of the Prospectus Directive including any relevant implementing measures in each Member State of the European Economic Area in which the Prospectus Directive has been implemented

Switzerland

This product does not represent a collective investment scheme and is not subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. Investors in this product are therefore not eligible for the specific protection under the Collective Investment Schemes Act (CISA).

This Notes may not be distributed to non-qualified investors in or from Switzerland and neither this document nor any other material document relating to the Notes may be distributed to non-qualified investors in or from Switzerland, as such terms are defined under the CISA, its implementing ordinances and the relevant practice of the FINMA. The Notes may only be distributed in or from Switzerland to qualified investors, as such term defined in the CISA and its implementing ordinances. This document does not constitute a simplified prospectus within the meaning of Art. 5 CISA. The Notes is not intended to be listed on the Swiss Stock Exchange ("SIX") or any other regulated securities markets in Switzerland and consequently, the information presented in this Notes does not comply with the information standards set out in the relevant listing rules.

Risk Factors

Investing in the Notes involves substantial risks, including without limitation, principal, interest rate, currency, credit, political, liquidity and market risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. The description of risks and special considerations below does not purport to be exhaustive and prospective investors should consider all the information set forth in the Base Prospectus in addition to the risk factors set out below.

Each of the Guarantor, the Issuer and KECH disclaim any responsibility to update prospective investors in relation to such risks subsequent to the date hereof. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and should reach an investment decision after careful consideration with their tax, accounting and legal advisers of the suitability of the Notes in light of their particular financial circumstances, financial condition and investment objectives. Investment in the Notes may not be suitable for all investors. The Issuer reserves the right not to issue the Securities in its sole and absolute discretion.

Investors should also refer to "Risk Factors" set out in the Documentation.

Credit Risk of the Issuer and Guarantor

As the Notes constitute obligations of the Issuer and Guarantor, investors are exposed to their credit risk during the life of the Notes. The Issuer's and the Guarantor's credit ratings are an assessment of their ability to pay their obligations. Consequently, real or anticipated changes in the Issuer's or the Guarantor's credit rating and/or fluctuations in the prevailing credit spread of their issued debt may affect the trading value of the Notes. However, because the return on the Notes is dependent upon factors in addition to the Issuer's and the Guarantor's ability to pay their obligations under the Notes, an improvement in the Issuer's or the Guarantor's credit ratings will not reduce the other investment risks related to the Notes.

No assurance can be given as to what the financial condition of the Issuer and the Guarantor will be at any time during the term of the Notes or the Maturity Date. The Guarantor could incur losses in future periods as a result of various factors including increased market volatility or decreased market liquidity, which may adversely impact the valuation of its trading and investment positions as more fully described in the Prospectus.

If the Issuer or Guarantor were to become insolvent, your investment would be at risk and you could lose all or some of the money you initially invested. The Notes are not backed, guaranteed or protected by any financial protection or compensation scheme. For the avoidance of doubt, the Issuer will use the proceeds of this Notes issuance for its general corporate purposes as described in the Prospectus.

The securities may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances.

The Notes are complex financial instruments. A potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how such Notes will perform under changing conditions, the resulting effects on the value of those Notes, and the impact this investment will have on the potential investor's overall investment portfolio.

Neither the Issuer, the Guarantor nor KECH is responsible for the legality and/or suitability of the purchase of the Notes by a prospective investor (whether it is acquiring the Notes as principal or in a fiduciary capacity) or for compliance by that prospective purchaser with any law, regulation, rule, directive or policy applicable to it. A prospective investor may not rely on the Issuer, the Guarantor or the Dealer when making determination in relation to these matters.

Early Redemption of the Notes may affect the return on the Notes and result in substantial losses to Holders

The Notes may be redeemed prior to the Maturity Date upon certain circumstances as described herein, including as a result of an Adjustment Event, Tax Redemption Event or an election by the Issuer or the Holders' to redeem the Notes prior to the Maturity Date. Upon any early redemption of the Notes, the redemption amount shall be calculated in accordance with the Prospectus or as otherwise

specified in the Final Terms. The redemption amount may be substantially less in value than the Nominal of the Note and may in certain circumstances, be equal to zero. Accordingly, the Notes are only suitable as an investment from investors who are able to understand the financial risks associated with any early redemption and willing to withstand the consequences it may have on their initial investment, in particular the risk to incur a substantive loss.

Value of the Notes prior to the Maturity Date

The value of the Notes will be affected by many factors including, but not limited to, the complexity and volatility of the Underlying, time remaining to the Maturity Date, interest rates, and dividend yield. Furthermore, value of the Notes may be particularly affected by the credit risk of the Issuer and Guarantor and Liquidity Risk as described below. The effect of one factor may offset the increase in the value of the Notes caused by another factor and the effect of one factor may exacerbate the decrease in the value of the Notes caused by another factor.

An investor may lose some or all of its investment if it seeks to sell the relevant Notes prior to their scheduled settlement/maturity and the sale price of the Notes in the secondary market is less than the investor's initial investment

Value of the Notes on the Maturity Date

The return on the Notes will be determined by the Calculation Agent in its sole and absolute discretion and consequently, such determination may not reflect the return the investor would realise if he or she actually owned the Underlying or the components thereof. An investor will not be a beneficial owner of the Underlying or of the components of the Underlying and will not be entitled to any voting rights or other control rights to which holders of the Underlying or the components thereof would be entitled.

If capital of the Notes is not guaranteed: Redemption price may vary according to the price of the Underlying on the last valuation date and can result in investors sustaining a total loss of the purchase price of the Notes if the price of the Underlying does not move in the anticipated direction. This risk is unrelated to the financial creditworthiness of the Issuer and Guarantor.

If capital of the Notes is protected (in whole or part): the relevant portion of principal of the Notes will, to the extent specified in the Final Terms, not be at risk of loss as a result of any fluctuations in value of any Underlying to which the Notes are linked. The Notes will only be expected to provide the return on the relevant portion of principal upon their maturity. The amount of interest or other non-principal amount payable in respect of the Notes may be dependent on the performance of the Underlying to which the Notes are linked and is not protected as described in relation to principal. Holders may receive no return on their investment during its term.

Liquidity Risk

The Notes are not intended to be short-term trading instrument and investors should be prepared to hold their Notes until the Maturity Date. There is no assurance that any secondary market will be developed or be maintained for the Notes or that the secondary market will be liquid. An illiquid market may have an adverse impact on the price at which the Notes may be sold in the secondary market. While under ordinary market conditions, Kepler Cheuvreux intends to provide a secondary market in the Notes, it is not required to do so and Kepler Cheuvreux may discontinue its market at any time without notice, at its sole discretion.

No provision of advice

Neither the Issuer, the Guarantor nor KECH is or shall be deemed to be a source of advice, information or analysis with respect to any Underlying. In particular, neither this Term Sheet nor the Prospectus constitutes an investment advice or recommendation to subscribe in the Notes.

Each investor shall be deemed (i) to acknowledge its understanding and acceptance of the matters set out herein, (ii) to have made its own examination and assessment of any Underlying, (iii) not to have relied on any representation of the Issuer, the Guarantor or KECH regarding any Underlying and (iv) not to have received any information from the Issuer, the Guarantor or KECH regarding any Underlying.

Each investor in the Notes should determine for itself the relevance and adequacy of the information contained in, or referred to in, this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. All information herein and under the Notes relating to any Underlying is derived from publicly available information released by the relevant Sponsor and other public sources and neither the Issuer, the Guarantor nor KECH has separately and independently verified and will separately and independently verify any such information. Neither the Issuer, the Guarantor nor KECH undertakes to review the performance or value of any Underlying during the life of the Notes or to advise any investor or prospective investor in the Notes of any information coming to the attention of the Issuer and/or the Guarantor. Neither the Issuer, the Guarantor nor KECH makes any representation, warranty, or guarantee (express or implied) regarding (i) the accuracy, completeness or adequacy of the information relating to any Underlying or (ii) the performance thereof.

Each investor in the Notes shall be deemed to acknowledge its understanding and acceptance on the date on which it purchases the Notes that it is acting for its own account, and it has made its own independent decisions to purchase the Notes and as to whether such a purchase or holding is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary; that it is not relying on any communication (written or oral) of the Issuer, the Guarantor or KECH as investment advice or as a recommendation to purchase the Notes or a direct or indirect interest (including by way of participation) in the Notes; and that it is capable of assessing the (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of purchasing or holding the Notes (or a direct or indirect interest (including by way of participation) in the Notes). Neither the Issuer, the Guarantor nor KECH thereof is acting as a fiduciary for or an adviser to it in respect of the Notes or any direct or indirect interest (including by way of participation) in the Notes.

Fees

Fees and Commissions will be payable in relation to these Notes. Detail of those fee and commissions are available to you upon request

The contents of this document are indicative, are subject to change without notice and are subject to the finalisation of the Prospectus and other relevant documents and procedures relating to the Notes described in this document. This document does not constitute a commitment from Kepler Cheuvreux to subscribe for or place the Notes described in this document. This document is intended for the sole use of the Investor on the basis that before entering into this, and/or any related transaction, the Investor will ensure that it fully understands the potential risks and the financial, legal, regulatory, tax, accounting and other implications of this and/or any related transaction. The Investor should consult with such advisers as it deems necessary to assist it in making these evaluations. Kepler Cheuvreux will not act as Investor's adviser nor owe any fiduciary duty to the Investor in connection with this and/or any related transaction and no reliance may be placed on Kepler Cheuvreux for advice or recommendations of any sort. This document may not be

communicated or distributed to any other person without the prior written consent of the Kepler Cheuvreux, and the Notes described in this document will, if issued, be subject to restrictions on their offer and sale in the United States of America and elsewhere.

Annex 1 – Reference Portfolio Description Document

1. General information about the Reference Portfolio

As described in Section 1 ("**Description of the Product**") of this document, the **Reference Portfolio** is a notional reference portfolio (denominated in the Reference Portfolio Currency), actively created, advised on, and maintained by the **Reference Portfolio Advisor**.

The Reference Portfolio Advisor has created the Reference Portfolio by selecting the initial Constituents (the "**Initial Constituents**") on the Pricing Date. The Initial Constituents are listed in Section 4 of the Annex below.

The Reference Portfolio Advisor is responsible for adjusting the composition of the Reference Portfolio from time to time thereafter (any such adjustment a "**Rebalancing**") in accordance with Section 5 below. Certain limitations apply as to the composition of the Reference Portfolio from time to time as described in such section and as well in Section 3 of the Annex below.

The level of the Reference Portfolio (the "**Reference Portfolio Level**") is calculated in the Reference Portfolio Currency, net of fees and costs associated with the creation, maintenance and rebalancing of the Reference Portfolio, as described Section 1 ("**Description of the Product**") of this document.

2. Reference Portfolio Investment Universe

The Reference Portfolio, whose composition may vary from time to time, is actively advised by the Reference Portfolio Advisor and represents a notional investment in the Reference Portfolio Components. The Reference Portfolio Advisor may select any securities, assets, exposures or contracts that are part of the Investment Universes described below for inclusion in the notional Reference Portfolio (with such securities, assets, exposures or contracts becoming "Constituents" after inclusion in the Reference Portfolio) in its sole and reasonable discretion pursuant and subject to the provisions contained in this document. The Calculation Agent may retain the right to reject the inclusion of any Eligible Constituent due to any applicable rules, regulations and internal or external restrictions according to the provisions as set out below in Section 3 ("**Investment Restrictions**") or Section 5 ("**Rebalancing of the Reference Portfolio**").

The universes below shall together be referred to as the "**Investment Universes**". In respect of the Investment Universes, all securities, assets, exposures or contracts which are eligible for inclusion in the Reference Portfolio shall collectively be referred to as "**Eligible Constituents**".

2.1 Stock Constituents

The Reference Portfolio may reference as Stock Constituents long only positions in stocks from the universe described below (the "**Stock Investment Universe**").

Only Developed and Emerging Market (as defined in the most recent MSCI Global Investable Market Indexes Methodology) excluding India and Saudi Arabia worldwide stocks may be incorporated as Stock Constituents in the Reference Portfolio, subject to the Issuer's ability to access and offer such stocks, as determined by the Calculation Agent in its sole and absolute discretion.

2.2 Cash Position

The Reference Portfolio will also contain a Cash Position as a Reference Portfolio Component, which represents a notional holding of a cash account denominated in the Reference Portfolio Currency and accruing interest at the prevailing reference rate (the "**Reference Rate**"), which can be negative from time to time.

The Reference Rate is observed on every week day and shall be equal to the ICE LIBOR USD Overnight (Bloomberg page: US000/N<Index>) (the "**Relevant Screen Page**") plus a spread (the "**Spread**").

In respect of a positive Cash Position, the Spread shall be 0.00% and in respect of a negative Cash Position, the Spread shall be 0.30%.

If any Relevant Screen Page does not display an interest rate, the corresponding Reference Rate Component shall be determined with reference to an equivalent interest rate on the corresponding page of another financial information service. If the required interest rate is no longer displayed in one of these forms, the Calculation Agent is entitled to specify at its sole and reasonable discretion a successor Relevant Screen Page as the basis for the Reference Rate.

The value of the Cash Position will thereafter be negatively or positively affected by any fee or any other distribution as described in the relevant section under Section 1 ("**Description of the Product**") of this document.

3. Investment Restrictions

Constituents may be selected by the Reference Portfolio Advisor for notional purchase or, as the case may be, sale or unwind in accordance with the following investment restrictions (the "**Investment Restrictions**"):

3.1 Portfolio Investment Restrictions

3.1.1 The sum of the Exposures of all Constituents, is capped at a maximum of 100% (the "**Leverage Threshold**") at all times during the lifetime of the product.

3.2 Constituent Investment Restrictions

3.2.1 The Weight of the Cash Position shall at all times be greater than -5%.

3.2.2 The Weight of the Cash Position shall, on average throughout a calendar year, be smaller than 50%.

3.2.3 The Exposure of each Stock Constituent is capped at a maximum of 20%.

For the avoidance of doubt: The responsibility and legal duty that the Reference Portfolio complies with the above guidelines is solely with the Reference Portfolio Advisor.

3.3 Consequences of Investment Restrictions Breaches

In case any of the above Investment Restrictions are breached at any time during the life of the product, the Issuer has the right, but is not obliged, to notionally unwind Constituents at its sole and reasonable discretion until no such breach exists. In respect of such notional unwind, a notional credit or debit, as the case may be, shall be made to the Cash Position corresponding to the Notional Net Disposal Value of such Constituents with effect from the date of the notional unwind.

3.4 Additional Definitions

"**Weight**" means, with respect to the Pricing Date or any week day and pertaining to any Reference Portfolio Component, the notional value of such Reference Portfolio Component divided by the Reference Portfolio Level, as determined by the Calculation Agent in its sole and reasonable discretion.

"**Exposure**" means, with respect to the Pricing Date or any week day and pertaining to any Constituent, the notional exposure in the Reference Portfolio Currency of such Constituent, as converted into the Reference Portfolio Currency, where such Constituent is not denominated in the Reference Portfolio Currency, at the then prevailing currency exchange rate, divided by the Reference Portfolio Level, both as determined by the Calculation Agent in its reasonable discretion.

4. Rebalancing of the Reference Portfolio

4.1 A Rebalancing may be initiated by the Reference Portfolio Advisor on any Business Day following the Pricing Date, effective as soon as reasonably practicable, as determined by the Calculation Agent in its sole and reasonable discretion (such day, a "**Reference Portfolio Adjustment Date**"), subject to the occurrence of a Market Disruption Event.

For the avoidance of doubt, a single Rebalancing may comprise of a change to more than one Constituent, and therefore a change in the position of multiple Constituents which were the result of a single Rebalancing instruction by the Reference Portfolio Advisor shall be considered as one Rebalancing.

4.2 On any Business Day, the Reference Portfolio Advisor may, as it deems appropriate in its sole and reasonable discretion, give notice to the Calculation Agent of its intention to initiate a Rebalancing on such day (a "**Rebalancing Notice**"), and effective on the Reference Portfolio Adjustment Date.

Save as the Calculation Agent may otherwise agree, a Rebalancing Notice shall not be effective if, at the time of such Rebalancing Notice is received, a Rebalancing in respect of any Rebalancing Notice received earlier on such Business Day has not yet been completed or otherwise rejected. For the purposes hereof, a Rebalancing is deemed completed upon notification by the Calculation Agent to the Reference Portfolio Advisor, with respect to the relevant Rebalancing, of the relevant Notional Net Acquisition Value of each Constituent notionally included in the Reference Portfolio, the Notional Net Disposal Value(s) of each Constituent notionally removed from the Reference Portfolio and the Exposure of each applicable Constituent notionally comprised in the Reference Portfolio following the relevant Rebalancing.

4.3 Should the Calculation Agent determine that a Rebalancing shall be effective over multiple days (for example in the scenario where some Constituents or Eligible Constituents, as the case may be, referenced in a Rebalancing may be notionally acquired or unwound on a Constituents Business Day and other Constituents or Eligible Constituents, as the case may be, referenced in the same Rebalancing may be notionally acquired or unwound on a subsequent (immediately following or otherwise) Constituents Business Day), then despite the effective date covering multiple Constituents Business Days, it shall be treated as a single Rebalancing.

4.4 The Calculation Agent will determine the exact number of units for each Constituent based on prevailing market conditions, including currency exchange rates when relevant, in its sole and reasonable discretion. Such number may deviate from the target Exposure recommended by the Reference Portfolio Advisor.

4.5 On each Reference Portfolio Adjustment Date, notional debits and credits to the Cash Position shall be made as follows:

- (i) In respect of the notional acquisition of exposure to a Constituent, a notional debit or credit, as the case may be, shall be made to the Cash Position corresponding to the Notional Net Acquisition Value of such Constituent, with effect from the date of the notional acquisition of exposure to such Constituent; and
- (ii) In respect of the notional unwind of exposure to a Constituent, a notional debit or credit, as the case may be shall be made to the Cash Position corresponding to the Notional Net Disposal Value of such Constituent, with effect from the date of the notional unwind of exposure to such Constituent.

For the avoidance of doubt, if the notional acquisition or unwind of exposure to a Constituent results in the notional credit or debit to the Cash Position and such Constituent is not denominated in the Reference Portfolio Currency, then the Calculation Agent will apply the prevailing currency exchange rate, as determined in its sole and reasonable discretion determine the value of the notional credit or debit to the Cash Position.

4.6 The Calculation Agent is entitled but has no legal duty to refuse the notional acquisition or unwind of exposure to any Constituent and to require the Reference Portfolio Advisor to initiate a Rebalancing in certain circumstances, as follows:

4.6.1 The Reference Portfolio Advisor has selected a security, asset, exposure or contract for inclusion in the notional Reference Portfolio which is not part of the respective Investment Universes;

4.6.2 The Reference Portfolio is, or following the relevant Rebalancing would, breach any of the Investment Restrictions or any other rule or provision contained herein;

4.6.3 A Market Disruption Event (which includes a FX Disruption Event) has occurred in respect of the relevant Constituent on the relevant Reference Portfolio Adjustment Date;

4.6.4 The Calculation Agent determines that a Hedging Disruption Event has occurred in relation to the Constituent. In this paragraph, "**Hedging Disruption Event**" means the determination by the Calculation Agent that it would not be reasonably practicable or it would otherwise be undesirable, for any reason, for a notional investor wholly or partially to establish, re-establish, substitute or maintain any hedging transaction which in the determination of the Calculation Agent would be necessary or desirable to hedge the obligations of an issuer of securities linked to the exposure of the Reference Portfolio (such reasons may include, but are not limited to (i) any material illiquidity in the market for any Constituent, (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (iii) the general unavailability of market participants who would agree to enter into any such hedging transaction on commercially reasonable terms or at all; and

4.6.5 The Calculation Agent determines that it would not be reasonably practicable for a notional investor in the same position as the Issuer to make purchases and/or sales of the Constituent(s), as the case may be, due to compliance, regulatory, reporting or reputational constraints, take-over considerations, internal restrictions or lack of internal approval.

In the event that the Calculation Agent requires the Reference Portfolio to initiate a Rebalancing such that the Reference Portfolio complies with the foregoing, the Reference Portfolio Advisor shall, as soon as is reasonably practicable and without undue delay, initiate a Rebalancing such that the Reference Portfolio complies with the foregoing as at the immediately following Reference Portfolio Adjustment Date. The Reference Portfolio Advisor has no right to object to such Rebalancing required by the Calculation Agent.

Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to advise the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.

4.7 As soon as is reasonably practicable after receipt of an effective Rebalancing Notice on a Reference Portfolio Adjustment Date, and subject to any rejection, the Calculation Agent shall notify the Reference Portfolio Advisor of (a) the Notional Net Acquisition Value and/or Notional Net Disposal Value applicable to each Constituent that is subject to the Rebalancing and (b) the Exposure of each Constituent comprised in the Reference Portfolio as a result of the Rebalancing. Upon receipt by the Reference Portfolio Advisor of such notice from the Calculation Agent, the Rebalancing shall be binding and conclusive on the Reference Portfolio Advisor in the absence of manifest error.

For the avoidance of doubt, a proposed Rebalancing shall be effective only if and to the extent that the Calculation Agent, on the Reference Portfolio Adjustment Date on which the relevant Rebalancing Notice is given, notifies to the Reference Portfolio Advisor the information mentioned in (a) and (b) above. Should a proposed Rebalancing not be fully effective on a Reference Portfolio Adjustment Date, subject to clause 5.3, the Reference Portfolio Advisor will be required to deliver one or more further Rebalancing Notices in accordance with the provisions hereof to execute the remainder of the initially proposed Rebalancing.

4.8 In this Section:

(i) "**Notional Net Acquisition Value**" means, in relation to an Eligible Constituent, the notional price (net of any applicable Rebalance Fee) at which the Calculation Agent determines that a notional investor would be able to notionally acquire exposure to such Constituent (where applicable, on the relevant Exchange) at the execution time on the relevant Reference Portfolio Adjustment Date, as converted into Reference Portfolio Currency where such Constituent is not denominated in the Reference Portfolio Currency, at the then prevailing currency exchange rate, each as determined by the Calculation Agent in its sole and reasonable discretion; and

(ii) "**Notional Net Disposal Value**" means, in relation to a Constituent, the notional price (net of any applicable Rebalance Fee) at which the Calculation Agent determines that a notional investor would be able to notionally unwind exposure to

such Constituent (where applicable, on the relevant Exchange) at the execution time on the relevant Reference Portfolio Adjustment Date, as converted into Reference Portfolio Currency, where such Constituent is not denominated in the Reference Portfolio Currency, at the then prevailing currency exchange rate, each as determined by the Calculation Agent in its sole and reasonable discretion.

5. Adjustments of the Reference Portfolio

- 5.1** If, at any time, any event occurs in relation to any Constituent which the Calculation Agent determines requires an adjustment(s) to be made to the composition of the Reference Portfolio, then the Calculation Agent shall (i) determine which adjustment(s) are to be made to the Reference Portfolio with a view to account for the effect of the relevant event and to preserve the prevailing composition of the Reference Portfolio immediately prior to the occurrence of such event and (ii) determine the date on which such adjustment(s) shall take effect.

Notwithstanding the entitlements of the Calculation Agent under this paragraph, the sole responsibility and legal duty to advise the Reference Portfolio in compliance with the rules and provisions contained in this document is with the Reference Portfolio Advisor.