

**Structured Products**

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**SVSP Swiss Derivative Map™**

Miscellaneous Leverage Products

(Category 2099)

**Term Sheet and Simplified Prospectus****JB Leveraged Floating Rate Certificate, linked to an Emerging Market Bond Portfolio****4.0% p.a. Coupon Spread**

In Switzerland, these financial instruments are considered structured products. They do not constitute shares in collective investment schemes within the meaning of the Swiss Federal Act on Collective investment schemes (CISA). Therefore they are neither subject to the approval nor supervision by the Swiss Financial Market Supervisory Authority FINMA. The investors do not benefit from the specific investor protection provided under the CISA.

**Product Description****Terms**

Issuer	Bank Julius Baer & Co. Ltd., Guernsey Branch
Lead Manager	Bank Julius Baer & Co. Ltd., Zurich
Rating of the Issuer	Moody's A2
Valor / ISIN	33271300 / CH0332713004

Reference Bond Portfolio<sup>1)</sup>  
(Underlying)

Name	Weighting	Issue Size	Coupon	S&P Rating	Moody's Rating	Maturity	ISIN	Country of risk	Currency
BANCO SANTANDER MEXICO	10.00%	1'000.0	4.1	NR	A3	11/2022	USP1507SAC19	MX	USD
SASOL FINANCING INT	10.00%	1'000.0	4.5	BBB	Baa2	11/2022	US803865AA25	ZA	USD
PETROLEOS MEXICANOS	10.00%	1'455.0	3.5	BBB+	Baa3	7/2020	US71654QBU58	MX	USD
BANCO INBURSA	10.00%	1'000.0	4.1	BBB+	#N/A N/A	6/2024	USP13296AL53	MX	USD
FIBRIA OVERSEAS FINANCE	10.00%	600.0	5.3	BBB-	Ba1	5/2024	US31572UAE64	BR	USD
BRF SA	10.00%	500.0	4.0	BBB	Ba1	5/2023	USP1905CAD22	BR	USD
BHARTI AIRTEL LTD	10.00%	1'000.0	4.4	BBB-	Baa3	6/2025	USY0889VAA80	IN	USD
ECOPETROL SA	10.00%	1'800.0	5.9	BBB	Baa3	9/2023	US279158AC30	CO	USD
BRASKEM FINANCE LTD	10.00%	750.0	6.5	BBB-	Ba1	2/2024	US10553YAF25	BR	USD
CIELO SA/CIELO USA INC	10.00%	875.0	3.8	N/A	Ba1	11/2022	USP28610AA46	BR	USD

Currency	USD	Fixing Date	30 January 2017
Issue Price	USD 10,000 per Product (including the Distribution Fee)	Payment Date	06 February 2017
Nominal Amount	USD 10,000	Maturity Date	30 January 2020
Stop Loss Limit <sup>3)</sup>	USD 6,000	Redemption Date	06 February 2020
Participation (Initial)	200%	Subscription Period	Until 27 January 2017, 17:00 CET
Refinancing Rate	3-months USD Libor + 0.75% p.a. (Libor floored at 0.0%)		
Coupon	Reference Interest Rate + Coupon Spread, Quarterly Payments		
Reference Interest Rate	<b>3-months USD LIBOR</b> (Bloomberg: US0003M Index), determined two banking business days prior to the beginning of each quarter		
Coupon Spread	<b>4.00% p.a.</b>		
Coupon payment Dates	07.08.2017; 06.11.2017; 06.02.2018; 08.05.2018; 06.08.2018; 06.11.2018; 06.02.2019; 07.05.2019; 06.08.2019; 06.11.2019; 06.02.2020		
Initial Nominal Underlying Exposure per Certificate	USD 20,000 (Participation 200%)		

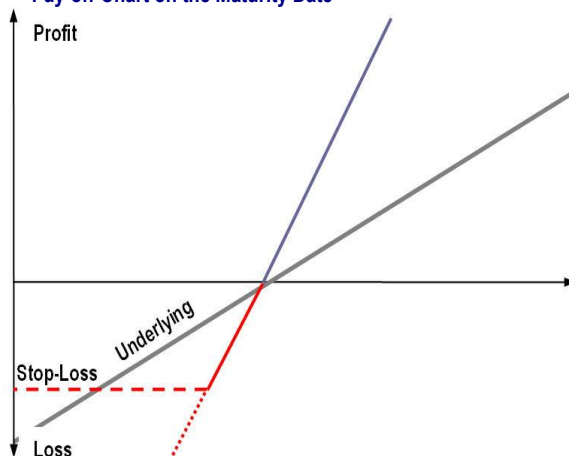
Initial Short Cash Position <sup>2)</sup>	Nominal Amount – Initial Underlying Exposure = -10,000USD
Short Cash Position	Initial Short Cash Position - interest accrued using the Refinancing Rate – accrued Distribution Fee – accrued Coupon Payments

- 1) The Ratings refer to the rating as at the Issue Date and may change during the lifetime of the Product.
- 2) upon Fixing
- 3) The redemption proceeds can be lower than the Stop Loss Limit.

### Product Characteristics

These Structured Products („Certificates“/„Products“) are financial instruments which due to a Leverage allow the investor to disproportionately participate in the yield and potential performance of the Underlying Bonds and to profit from rising interest rates by receiving a floating coupon instead of a fixed cash flow... The Products will also reflect the development of the Underlying disproportionately if its performance is negative. This Product is aimed at investors who expect a positive performance of the Underlying; expecting flat or declining credit spreads for the Underlying Bonds.

### Pay-off-Chart on the Maturity Date



### Illustration of the Products

To make floating proceeds available to the investor, the Lead Manager acquires the bonds contained in the Reference Bond Portfolio in accordance with the Participation and, subsequently, enters into a swap for each bond for its entire lifetime. The swap transforms the fixed coupon payments under the bonds into floating payments.

### Leverage Effect

Any changes in the value of the Underlying will, depending on the participation (see above), have a disproportionate effect on the value of the Certificate. This is the leverage effect. The leverage might vary during the term of the Product subject to interests, the value of the Underlying, coupon payments, etc., and the remaining term of the Product. The leverage effect results from an investment made by the Issuer for the benefit of the investor. The financing costs are added to the Short Cash Position and as a consequence are deducted from the Price of the Certificate on an ongoing basis.

### Coupon Payment

Each holder of a Certificate qualifies for payment of the Coupon on the Coupon Payment Dates as a function of the level of the Reference Interest Rate pursuant to the following formula:

$$\text{Coupon payment} = \text{Nominal Amount} \times \max[(\text{Reference Interest Rate}_{n-1} + \text{Coupon Spread } \%); 0] \times T_{n-1;n} / 360$$

whereby,

Reference Interest Rate<sub>n-1</sub> Reference Interest Rate observed on the Observation Date n-1  
T<sub>n-1;n</sub> Number of days T in the period from the last Coupon Date n-1 (or the Payment Date in respect of the first Coupon period) to the Coupon Date n.

### Value of the Swap

The value of the swap corresponds to the fair liquidation value that will be determined by the Calculation Agent at its discretion. The liquidation value of the swap may be positive or negative. Costs that result from an extraordinary termination of the swap agreement will be charged to the liquidation value. The swap may provide for floating or fixed payment obligations beyond the lifetime of the Product which may have a negative impact on the Product value on its maturity.

### Redemption Amount

#### Scenario 1: No Default related to one or more Issuer within Reference Bond Portfolio and the Stop Loss Limit is never reached

If the value of the Certificate never reaches or falls below the Stop Loss Limit during its term, the Certificate will be redeemed on the Redemption Date according to the following formula:

$$R = \sum_{i=1}^n \left( \frac{FRP_i}{IRP_i} * IW_i * P * N \right) + SCP + \sum_{i=1}^z (LVS_i)$$

R	=	Redemption Amount
FRP <sub>i</sub>	=	Dirty Price for Bond <i>i</i> on Maturity Date (on best execution basis)
IRP <sub>i</sub>	=	Dirty Price for Bond <i>i</i> on Fixing Date (on best execution basis)
SCP	=	Short Cash Position (a negative number)
IW <sub>i</sub>	=	Initial Weighting for Bond <i>i</i>
P	=	Participation
N	=	Nominal Amount
LVS <sub>i</sub>	=	Liquidation Value of each Swap
n	=	number of bonds in the portfolio
z	=	number of swaps

### Scenario 2: No Default related to one or more Issuer within the Reference Bond Portfolio and the Stop Loss Limit is reached

If during the term the value of the Certificate ever reaches or falls below the Stop Loss Limit, the Certificate will automatically and prematurely be terminated as well as redeemed by cash payment of the Early Redemption Amount for value five Business Days after the day of the automatic premature termination. Upon premature termination of the Certificate, the Issuer liquidates its hedging positions in the Underlying and the investor will, for each Certificate, be cash redeemed at the Early Redemption Amount calculated on the basis of the net selling prices, unwinding costs of the short cash position, the liquidation value and unwinding costs of the swaps, the current interests, the expected coupons and the financing costs, etc. Any future coupon payments of the Certificate will not be taken into account, hence will not have a positive effect on the Early Redemption Amount). The Early Redemption Amount has a value higher or equal to Zero. The redemption proceeds can be lower than the Stop Loss Limit.

Note: The Issuer might, at its sole discretion, pay the Redemption Amount in kind (physical settlement) instead of a cash payment. The physical settlement can be for a part of the Redemption Amount or for its entirety. The same is the case for redemptions during the lifetime of the Certificate (Secondary Market).

### Scenario 3: Default related to one or more Issuer within the Reference Bond Portfolio

In case of a default (see "Additional Extraordinary Events) the Issuer, at its sole discretion, has the right but not the obligation to prematurely terminate and redeem the Certificate by cash payment of the Early Redemption Amount for value five Business Days after the day of the automatic premature termination. Upon premature termination of the Certificate, the Issuer starts liquidating its hedging positions in the Underlying and the investor will, for each Certificate, be cash redeemed at the Early Redemption Amount calculated on the basis of the net selling prices, unwinding costs of the short cash position, the liquidation value and unwinding costs of the swaps, the current interests, the expected coupons and the financing costs, etc. Any future coupon payments of the Certificate will not be taken into account, hence will not have a positive effect on the Early Redemption Amount. The Early Redemption Amount has a value higher or equal to Zero. The redemption proceeds can be lower than the Stop Loss Limit.

Note: The Issuer might, at its sole discretion, pay the Redemption Amount in kind (physical settlement) instead of a cash payment. The physical settlement can be for a part of the Redemption Amount or for its entirety. The same is the case for redemptions during the lifetime of the Certificate (Secondary Market).

### Adjustment and Termination upon the Occurrence of Events with Impact on the Bonds within the Reference Bond Portfolio or the Issuer

"Additional Extraordinary Events" are the following events with impact on the Reference Bonds or the Issuer:

- (i) a bond is in part or in total early redeemed or repurchased;
- (ii) the rating of the issuer of a bond is downgraded;
- (iii) the issuer of a bond falls, or is likely to fall into bankruptcy, declares to be, or is likely to become insolvent;
- (iv) any other event with regard to the issuer of a bond that is likely to cause a default of the bond;
- (v) the restructuring of the issuer of a bond;
- (vi) the suspension, limitation, or other restriction of the dealing in a bond;
- (vii) the taxation of the coupon payments of a bond changes;
- (ix) a bond ceases to pay or modifies the coupons
- (viii) any other event which has, or may have, adverse effects on the Issuer's ability to fulfill its obligations under the derivative, or to hedge its exposure under the derivative.

If the Issuer determines in its sole discretion that an Additional Extraordinary Event occurs, or is likely to occur with respect to the Reference Bond, the Issuer may, but is not required to, in its sole discretion (a) adjust to the conditions of the Product in such a way that the economic value of the Product corresponds to the economic value prior to the occurrence of the Additional Extraordinary Event, (b) adjust the composition of the Reference Basket, or (c) early terminate the Product by notification in accordance with the provisions of the Program Documentation (see below); however, without regard to any notice period (extraordinary termination).

### Issuer Termination Right

The Issuer is entitled to early terminate all issued Products without cause. The corresponding notice needs to be published in accordance with the provisions of the Program Documentation four weeks in advance. In case of a termination without cause, the lifetime of the Products will be early terminated on the termination date published in the notice. The holder of the Products is entitled to receive from the Issuer a cash amount in the Currency of the Product that corresponds to the value of the Certificate determined by the Calculation Agent on the termination date; whereby the value of the Certificate or its Product components will be determined in the Calculation Agent's sole discretion, but in line with the provisions of the Program Documentation pursuant to section 6.3.2 ("Effects of a Market Disruption Event on the Determination of the Price of Index Level of an Underlying or on the Value of the Security during the Lifetime of the Security"). The new redemption date is the seventh day following the termination date. If this day is not a banking business day, the new redemption date will be the first following banking business day.

### Taxation

Federal turnover tax	Federal turnover tax is due on secondary market transactions.
Withholding tax	No Swiss withholding tax.
Income tax	For Swiss income tax purposes, this Product is classified as a bond-like product without predominant one-time interest payment ('non-IUP'). For individuals residing in Switzerland and holding the Product as private asset, the periodic coupon

payments are subject to Swiss income tax at payment date. Any gain upon disposal of the Product is classified as tax free capital gain and is therefore not subject to Swiss income tax for these investors. A capital loss is not tax-deductible.

The aforementioned taxes are valid at the time of launch of this issue. The relevant tax laws or regulations of the tax authorities may change at any time. Furthermore the tax treatment may depend on the personal situation of the investor and may be subject to change in the future. This information is not purported to be a complete description of all potential tax effects. Potential investors are advised to consult their tax advisors to determine the special tax consequences of the purchase, ownership or disposition of this Product.

#### Details

Calculation & Paying Agent	Bank Julius Baer & Co. Ltd., Zurich
Distribution Fee	1.00%, amortized over the first 36 months (0.027778% per month) (incl. VAT, if any); The Distribution Fee will be allocated/paid to the internal and/or external Distributor. For further details please see under section III "Distribution Compensation/Distribution Allowances from and to Third Parties".
Minimum Trading Size	1 Certificate
Coupon Daycount	Act/360 (modified following; unadjusted)
Exercise	The Product matures automatically on the Maturity Date
Issue Size	USD 20,000,000 (can be increased at any time)
Clearing	SIX SIS AG
Settlement	Cash or Physical (at the sole discretion of the Issuer)
Listing / Secondary Trading	None
Title	Book-entry Security. No certificate. No printing of individual or Permanent Global Certificate.
Governing Law / Jurisdiction	Swiss Law / Zurich 1, Switzerland

## Prospects of Profit and Loss

The total yield of the Product depends on the performance of the Underlying. The leverage effect of the Product affects its performance disproportionately (see Leverage above) and, accordingly, a comparatively low negative performance of the Underlying may result in larger losses for the investor. As past performance is no guarantee of future development, the performance cannot be predicted at the time of the investment decision. The Stop Loss Limit does not offer a capital protection and, accordingly, a total loss may occur if, when the Stop Loss Limit has been reached and, correspondingly, the Product is prematurely terminated, the value of the Underlying decreases until the complete liquidation of the positions in the Underlying.

The opportunity costs that result from swapping the fixed coupon payments of the Reference Bond Portfolio may exceed the proceeds resulting from the floating coupon payments.

This risk disclosure is not exhaustive. It cannot identify all Product specific risks. The investor is advised to consult its client advisor as to the Product specific risks and to peruse the "Risk Factors" section of the Program Documentation.

## Significant Risks for Investors

### 1. Issuer Risk

Unlike in a collective investment scheme, investors in structured products are not protected by a segregated pool of assets upon the Issuer's bankruptcy. Accordingly, the investment instrument's value is not only dependent on the development of the Underlying or values covered by the Underlying, but also on the creditworthiness of the Issuer, which may vary over the term of the structured product. In case of the issuer's insolvency or bankruptcy the investors in structured products may lose their entire investment. This Product is a direct, unconditional and unsecured obligation of the Issuer and ranks equally with all other direct, unconditional and unsecured obligations of the Issuer.

### 2. Risks of Derivative Products

Derivative products are complex financial instruments, may therefore involve a high degree of risk and are intended for use only by sophisticated investors who are capable of understanding and assuming the risks involved. Before entering into any transaction, an investor should determine if this Product is suitable with regards to the particular circumstances and should independently assess (together with the client advisor) the specific risks as described under "Product Risks" and any other legal, regulatory or credit consequences. The Issuer makes no representation as to the suitability or appropriateness of this Product for any particular investor. This document does not replace a personal discussion with your client advisor, which is tailored to your requirements, investment objectives, experience, knowledge and circumstances and which is recommended by the Issuer before the investment decision. Please ask your client advisor about supporting information regarding this Product such as the Programme Documentation.

**Credit and Interest Rate Risk:** Regarding the Reference Bonds, attention needs to be paid to the following risks that are described in more detail under the heading "21.2.4 Obligationen als Basiswert" in the Program Documentation. **The deterioration of the creditworthiness of the issuer of the bond may adversely affect the bond price and may even lead to the worthlessness of the bond and, thereby, a total loss of the investment.** Furthermore, changes of the interest rate level may have a negative impact on the price of the bond. In addition, the issuer of the bond may early redeem the bonds which may cause a modification of the expected return on investment. Additional risks may be associated with certain bond types (subordinated bonds, zero-coupon bonds, perpetual bonds etc.). The investor is advised to ask for further information about specific risks.

The Issuer points out that the Product may cease to pay coupons upon the occurrence of an adjustment event (see above "Adjustment and Termination upon the Occurrence of Events with Impact on the Reference Bond or the Issuer").

**Risks related to the Reference Bond(s):** The value of this Product is predominately dependent on the Reference Bond(s) and on the Issuer of the Reference Bond. If the Calculation Agent determines, in accordance with the Product terms, a Credit or Redemption Event at its own discretion as regards any Reference Bond, the Investors in these Products have no right of recourse against the Reference Bond Issuer(s) as regards any loss which they sustain due to the Liquidation Amount redeemed to them (which may be significantly lower than the Issue Price or, in extreme cases, even zero). After determination of a Credit or Redemption Event as regards any Reference Bond Issuer by the Calculation Agent, the Investors do not stand to benefit from any positive performance as regards the relevant Reference Bond Issuer. In particular, the consequences of determination of a Credit or Redemption Event by the Calculation Agent as specified in the Product terms cannot be reversed. As such, Investors do not participate, i.e. in the event of restructuring as an example of a Credit Event, in the corresponding restructuring process and are not entitled to appeal against elements of the restructuring process. For this reason, an investment in Products with Reference Bond(s) may be associated with a higher risk than a direct investment in the liabilities of the Reference Bond Issuer. If circumstances arise or an event occurs which have/has a negative impact on the creditworthiness or credit rating of any Reference Bond Issuer but which do/does not result in the occurrence of a Credit or Redemption Event, the price of the Products with Reference Bond(s) may fall. As a result, Investors who sell their Products with Reference Bond(s) at this time may sustain a significant loss of their capital invested.

**Credit Ratings/Rating Volatility:** Credit ratings represent the rating agencies' opinions regarding credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and/or interest payments and do not evaluate the risks of fluctuations in market value. Accordingly, the credit ratings may not fully reflect the true risks of the Underlying Components. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events; so that an issuer's current financial condition may be better or worse than its rating indicates. Rating agencies may from time to time change the ratings of the Reference Bond(s) even if no losses have been incurred due to changes in rating methodology or rating migration of the Reference Bond(s).

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

**Interest Rates:** The trends of interest rates in a country are influenced by various factors. Amongst others are the trade cycle, public finances, price level, the international flow of funds as well as developments in other countries. The yield curve on the other hand which can be observed on the capital markets is influenced by factors like preferences of market participants, expectations of investors, inflation rate, etc. A prediction of interest rates trends can be subject to greater uncertainties.

**Price fixing:** The market value of the Underlying may be fixed outside the trading hours of the relevant stock exchange. The investor must be aware that the market value of the Underlying determined outside the trading hours of the relevant stock exchange can be subject to great volatility.

**Structured Products:** Owning this Product is not the same as owning the Reference Bond. Accordingly, changes in the market value of the Reference Bond may not result in a comparable change in the market value of the Product. Further, commissions, fees and other remunerations may reduce the actual market value. The trading market may be volatile and adversely impacted by many events which may include, but are not limited to, political events, corporate actions and macro economic factors.

**Secondary Market:** Trading of the Product may be limited despite a possible listing. Investors must also be aware of the spread risk. This means that during the term of the Product, bid and offer prices may possibly differ to a greater or lower extent. Although the Lead Manager intends to provide market making subject to normal market conditions, he is not obliged to do so. Further the investor may only be able to sell its Product in the secondary market at a lower price than the original purchase price. It is important to note, that if the Issuer decides to repurchase from the investor or sell to the investor Products on the secondary market, it cannot guarantee to take back/sell all, but only limited amounts of the Product at the price indicated by the Lead Manager. For the remaining Products offered/purchased, the Issuer is therefore free to sell/purchase the Fund Shares over the counter, and compensate/charge the investor the average execution price which is realized, which depending on the Fund may cause greater delays. **At no time does the Issuer have an obligation to repurchase/sell Products.** The Issuer might, at its sole discretion, pay the Redemption Amount in kind (physical settlement) instead of a cash payment. The physical settlement can be for a part of the Redemption Amount or for its entirety.

**Early Redemption:** The investors must be aware of a possible early redemption of the Product. The Issuer has the right in the case of an extraordinary event or an Additional Extraordinary Event (see "Adjustment and Termination upon the Occurrence of Events with Impact on the Reference Bond or the Issuer") to call the Products for settlement, provided that the Issuer will use such efforts as it reasonably deems practical to preserve the value of, or provide reasonable value for, the Product.

**Currency Risk:** The investor may be exposed to a currency risk, if the Reference Bond is denominated in other currencies than the nominal of the Product or the Product is denominated in another currency than that of the country in which the investor is resident. The investment is therefore exposed to currency fluctuations and may increase or decrease in value.

**Further Information:** For further details on Product related risks please consult the risk disclosure brochure "Special Risks in Securities Trading" (Edition 2008) which is available on the Swiss Bankers Association's website: [www.swissbanking.org/en/home/shop.htm](http://www.swissbanking.org/en/home/shop.htm) or may be obtained from your client advisor upon request.

## General Information

### 1. Document

**This document constitutes marketing material.** It does not constitute an offer or invitation to enter into any type of financial transaction and is not the result of a financial analysis and therefore not subject to the "Directives on the Independence of Financial Research" from the Swiss Bankers Associations. The content of this document does therefore not fulfill the legal requirements for the independence of financial analyses and there is no restriction on trading in this regard.

This document is a Simplified Prospectus as stated in art. 5 of the Swiss Federal Act on Collective Investment Schemes (CISA; SR 951.31). The information contained herein is of summary nature. If the information or the provisions in this document are inconsistent with those described in the Programme Documentation, the information or the provisions in this document prevail. Until the Fixing Date the terms are indicative and may be amended. The Issuer has no obligation to issue this Product. This document together with the relevant Programme Documentation may be obtained free of charge directly from Bank Julius Baer & Co. Ltd. (see Additional Notes).

**This document cannot disclose all of the risks and other significant aspects of this Product and investment decisions should not be made solely on the basis of these risk factors.**

### 2. Conflicts of Interest

Bank Julius Baer & Co. Ltd. and affiliated companies may from time to time enter into transactions for their own account or for the account of a client that are related to the Product. These transactions may not be intended for the benefit of the investor and may have positive or negative effects on the Reference Bond and thus on the value of the Product. Companies affiliated to the Issuer may also become counterparties in hedging transactions. Accordingly, conflicts of interest may therefore arise with regard to obligations relating to the ascertainment of the values of the Product and other related valuations both among the compa-

nies affiliated to the Issuer and between these companies and the investors. In such events, Bank Julius Baer & Co. Ltd. will devote its best efforts to provide fair treatment of such conflicts.

### 3. Distribution Compensations / Distribution Allowances to Third Parties

Under certain circumstances Third Parties may in connection with distribution services receive a compensation/provision. Such compensation/provision is included in the Issue Price. For further information contact Bank Julius Baer & Co. Ltd.

### 4. No Material Change

Except as disclosed in this document and the above-mentioned Programme Documentation there has been no material change in the assets and liabilities, the financial position and profits and losses of the Issuer since the latest annual or semi-annual report of the Issuer. The current annual and semi-annual reports of the Issuer can be obtained free of charge from Bank Julius Baer & Co. Ltd. (see Additional Notes).

### 5. Amendments to the Product Conditions

Information regarding unforeseen changes to the conditions of this Product not subject to this document but which may arise during the lifetime of the Product may be obtained from your client advisor upon request and will be published on: <http://derivatives.juliusbaer.com>; corporate actions and/or [http://www.six-swiss-exchange.com/news/official\\_notices/search\\_en.html](http://www.six-swiss-exchange.com/news/official_notices/search_en.html). Term Sheets will not be amended.

### 6. Issuer

The Issuer, Bank Julius Baer & Co. Ltd., Guernsey Branch (a branch of Bank Julius Baer & Co. Ltd., Zurich, incorporated in Switzerland and under the supervision of the Swiss Financial Market Supervisory Authority FINMA), is licensed in Guernsey under the Banking Supervision (Bailiwick of Guernsey) Law 1994 and The Protection of Investors (Bailiwick of Guernsey) Law 1987. Consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances has been obtained for the Issue. Neither the Guernsey Financial Services Commission (P.O. Box 128, Glatigny Court, Glatigny Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3HQ) nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Issue or for the correctness of any of the statements made or opinions expressed with regard to it.

### 7. Prudential Supervision

Bank Julius Baer & Co. Ltd. is, as a bank pursuant to the Federal Banking Act (BA; SR 952.0) and as a securities dealer pursuant to the Federal Act on Stock Exchanges and Securities Trading (SESTA; SR 954.1), subject to the prudential supervision by the Swiss Financial Market Supervisory Authority FINMA in Berne (Laupenstrasse 27, CH-3003 Berne; <http://www.finma.ch>).

### 8. Sales Restrictions

The Securities may not be offered in any jurisdiction in circumstances that would result in the Issuer being obliged to register any further prospectus relating to the Securities in that jurisdiction. Potential purchasers of the Securities are advised to read the detailed selling restrictions in the Programme Documentation. The restrictions listed below must not be taken as conclusive guidance as to whether the Securities can be sold in a jurisdiction. Potential purchasers of the Securities should seek specific advice before purchasing or selling-on a Security.

**European Economic Area (EEA):** The Securities may not be offered publicly pursuant to Directive 2003/71/EC (the "Prospectus Directive") and to applicable national law, to persons or legal entities or under circumstances which would require the publication of a prospectus for the purpose of the Prospectus Directive.

**United Kingdom:** The Lead Manager represents and agrees that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("FSMA") with regard to the issue of the Securities to the extent that the United Kingdom is involved. The distribution of this document (which term shall include any form of communication) is restricted pursuant to Section 21 (*restrictions on financial promotion*) of the FSMA.

**USA:** The Securities are and will not be registered under the United States Securities Act of 1933 and correspondingly may neither be offered nor sold, resold, delivered or traded in the United States or to U.S. persons as defined in Regulation S of the United States Securities Act of 1933.

**Hongkong:** The Prospectus has not been approved by the Securities and Futures Commission in Hong Kong, nor has a copy of the Prospectus been registered by the Registrar of Companies of Hong Kong. The Securities have not been offered or sold in Hong Kong, and each purchaser represents and agrees that it will not offer or sell any of these Securities in Hong Kong other than (i) to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"), or (iii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong ("CO"), or (iv) in other circumstances which do not result in the document being a "prospectus" within the meaning of the CO.

**Singapore:** The Prospectus has not been and will not be registered as a "prospectus" with the Monetary Authority of Singapore under the Securities and Futures Act (Cap. 289) of Singapore ("SFA"). No document or material in connection with the offer of the Securities may be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public in Singapore other than (i) to an institutional investor pursuant to Section 274 SFA, (ii) to a relevant person, or to any person pursuant to Section 275 (1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA, or (iii) in accordance with the conditions of any applicable provision of the SFA.

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## 9. Additional Notes

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