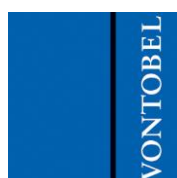


If you are in doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Warrants (defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of Bank Vontobel AG, its affiliates, associated companies (if any), the Index, the Shares or the Warrants.

**Base Listing Document
relating to Warrants to be issued by**



BANK VONTOBEL AG
(CHE-105.840.858)
(Incorporated under the laws of Switzerland)

This document is published for the purpose of obtaining a listing on the SGX-ST of warrants to be issued from time to time by Bank Vontobel AG (the “**Issuer**”). The warrants include European style cash settled call warrants on single equities (“**European Style Cash Settled Call Warrants**”), European style cash settled basket call warrants on a basket of equities (“**European Style Cash Settled Basket Call Warrants**”), European style index call warrants on indices (“**European Style Index Call Warrants**”), European style cash settled average return call warrants on single equities (“**European Style Cash Settled Average Return Call Warrants**”), European style investment (dividend) call warrants on single equities (“**European Style Investment (Dividend) Call Warrants**”), European style cash settled call warrants on single trusts (“**European Style Trust Call Warrants**”), European style cash settled put warrants on single equities (“**European Style Cash Settled Put Warrants**”), European style index put warrants on indices (“**European Style Index Put Warrants**”), European style cash settled average return put warrants on single equities (“**European Style Cash Settled Average Return Put Warrants**”), European style cash settled put warrants on single trusts (“**European Style Trust Put Warrants**”) and such other warrants to be issued from time to time by the Issuer (together the “**Warrants**” save that where the context requires, references to the “**Warrants**” shall mean the European Style Cash Settled Call Warrants, European Style Cash Settled Basket Call Warrants, European Style Index Call Warrants, European Style Cash Settled Average Return Call Warrants, European Style Investment (Dividend) Call Warrants, European Style Trust Call Warrants, European Style Cash Settled Put Warrants, European Style Index Put Warrants, European Style Cash Settled Average Return Put Warrants, European Style Trust Put Warrants, or such other warrants to be issued from time to time by the Issuer, as the case may be).

This document is published in connection with a listing of the Warrants on the SGX-ST for the purpose of giving information with regard to the Issuer and the Warrants. This document may be updated or amended from time to time by way of addenda. References to this document include

references to this document as amended by such addenda. The additional terms relating to each series of Warrants will be set out in a supplemental listing document (each a “**Supplemental Listing Document**”) which will be supplemental to, and should be read in conjunction with, this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Warrants or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration Warrants or other securities of the Issuer.

Warrants are complex instruments and are not suitable for inexperienced investors. Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in this document and, where necessary, seek professional advice before they invest in the Warrants. They should also have sufficient financial resources and liquidity to bear all of the risks of an investment in the Warrants. Prospective purchasers should not invest in Warrants which are complex financial instruments unless they have the expertise (either alone or with a financial adviser) to evaluate how the Warrants will perform under changing conditions, the resulting effects on the value of the Warrants and the impact this investment will have on the potential investor's overall investment portfolio.

The information in this document does not take into account the investment objectives or financial position of any particular investor. Accordingly, nothing in this document should be construed as a recommendation or invitation by the Issuer or any associate of the Issuer or any other person concerning investment in the Warrants or any security underlying the Warrants.

The Warrants constitute general unsecured contractual obligations of the Issuer and of no other person and if you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against, if applicable, the company or trust which has issued the underlying securities, the sponsor of the underlying indices, or any companies or trusts forming part of any indices to which the Warrants relate. The Warrants are not secured on any collateral.

As at the date of this document, the Issuer has been assigned several rating and risk assessment figures from the rating agency Moody's as shown in the table below. The current rating may be obtained at:

<https://www.vontobel.com/CH/EN/Vontobel-Group-Investor-Relations-Credit-Ratings>

Category	Long term	Short term	Outlook
Counterparty Risk Assessment	A2 (cr)	Prime-1(cr)	
Bank Deposits	Aa3	Prime-1	Stable
Baseline Credit Assessment	a2		
Adjusted Baseline Credit Assessment	a2		

From those figures above, the Issuer's Counterparty Risk Assessment is deemed to be the most relevant counterparty risk indicator for investors in products issued based on this Base Listing Document.

Subject as set out below, the Issuer accepts full responsibility for the information contained in this document in relation to itself and the Warrants. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document for which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. This document should be read in conjunction with the relevant Supplemental Listing Document.

The Issuer is authorised as a bank and securities dealer in Switzerland and is subject to supervision by the Swiss Financial Market Supervisory Authority (“FINMA”). The Issuer is not authorised nor licensed by the Monetary Authority of Singapore to carry on banking business in Singapore pursuant to the Banking Act, Chapter 19 of Singapore.

No persons have been authorised to give any information or to make any representation save as contained in this document or otherwise authorised by the Issuer in connection with the Warrants and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither the delivery of this document nor any sale of any Warrants shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, its affiliates or its associated companies (if any) since the date hereof. **This document does not constitute an offer by, or an invitation on behalf of, the Issuer to subscribe for or purchase any of the Warrants.**

The distribution of this document and the offering of the Warrants may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions. The Issuer does not assume any fiduciary responsibility or liability for any consequences financial or otherwise arising from the subscription or acquisition of the Warrants. An investor should make his own appraisal of the risks and should consult to the extent necessary its own legal, financial, tax, accounting and other professional advisers in this respect prior to any subscription or acquisition of the Warrants.

In particular, the Warrants have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Warrants, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Warrants, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer and/or any of its affiliates may repurchase Warrants at any time on or after the date of issue and any Warrants so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer. Investors should not therefore make any assumption as to the number of Warrants on issue at any one time.

The Issuer undertakes, in respect of each series of Warrants, until the expiry of the Warrants (as defined in the applicable Supplemental Listing Document) to make available for inspection by the public of in respect of such series of Warrants at the office of Vontobel Financial Products (Asia Pacific) Pte. Ltd., presently at 8 Marina View, Asia Square Tower 1, Level 07-04, Singapore 018960, a copy of its latest publicly available annual reports and interim financial statements (if any), and a copy of this

document.

This document includes the terms and conditions of each of the European Style Cash Settled Call Warrants, European Style Cash Settled Basket Call Warrants, European Style Index Call Warrants, European Style Cash Settled Average Return Call Warrants, European Style Investment (Dividend) Call Warrants, European Style Trust Call Warrants, European Style Cash Settled Put Warrants, European Style Index Put Warrants, European Style Cash Settled Average Return Put Warrants and European Style Trust Put Warrants (together, the “**Conditions**” or the “**Conditions of the Warrants**”, save that where the context requires references to the Conditions or the Conditions of the Warrants shall mean the terms and conditions of the European Style Cash Settled Call Warrants, the terms and conditions of the European Style Cash Settled Basket Call Warrants, the terms and conditions of the European Style Index Call Warrants, the terms and conditions of the European Style Cash Settled Average Return Call Warrants, the terms and conditions of the European Style Investment (Dividend) Call Warrants, the terms and conditions of the European Style Trust Call Warrants, the terms and conditions of the European Style Cash Settled Put Warrants, the terms and conditions of the European Style Index Put Warrants, the terms and conditions of the European Style Cash Settled Average Return Put Warrants, the terms and conditions of the European Style Trust Put Warrants or such other warrants to be issued from time to time by the Issuer, as the case may be).

All references herein to “**Singapore dollars**”, “**S\$**” and “**SGD**” are to the lawful currency of Singapore and to “**Swiss Francs**” and “**CHF**” are to the lawful currency of Switzerland.

References in this document to websites and other sources where further information may be obtained are intended to be guides as to where further public information may be obtained free of charge. Information appearing on these websites and in such other sources do not form part of this document.

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RISK FACTORS

The following risk factors are relevant to the Warrants:

- (a) investment in Warrants involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Warrants. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Warrants. You should consider carefully whether Warrants are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Warrants are not suitable for inexperienced investors;
- (b) the Warrants constitute direct, general and unsecured contractual obligations of the Issuer and no other person and will rank *pari passu* with the Issuer's other unsecured contractual obligations and with the Issuer's unsecured and unsubordinated debt other than indebtedness preferred by mandatory provisions of law. The Warrants are not secured by any collateral or other security. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Warrants, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against the company or trust which has issued the underlying securities, the sponsor of the underlying indices or any companies or trusts forming part of any indices to which the Warrants relate. The Issuer is not a fiduciary of Warrantholders (as defined in the Conditions) and has substantially no obligation to a Warrantholder other than to pay amounts and/or deliver securities in accordance with the terms thereof as set forth herein and in the relevant Supplemental Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Warrant. Any profit or loss realised by a Warrantholder in respect of a Warrant upon exercise or otherwise due to changes in the value of such Warrant, or the shares, baskets of shares or indices underlying such Warrant, is solely for the account of such Warrantholder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Warrant or the applicable underlying securities or indices. A reduction in the rating of the Issuer, if any, by any one of its rating agencies could result in a reduction in the trading value of the Warrants;
- (c) the price of the Warrants may fall in value as rapidly as it may rise and Warrantholders may sustain a total loss of their investment. The risk of losing all or any part of the purchase price of a Warrant upon the expiry of the Warrants means that, in order to recover and realise a return on investment, investors in Warrants must generally anticipate correctly the direction, timing and magnitude of any change in the value of the shares of the underlying company, units of the underlying trust or index as may be specified in the applicable Supplemental Listing Document. Changes in the price of the shares of the underlying company, units of the underlying trust or index can be unpredictable, sudden and large and such changes may result in the price of such shares, units or index moving in a direction which will negatively impact upon the return on an investment. In the case of Warrants relating to a unit, share or shares or share index, certain events relating to such units or the underlying trust or shares or the underlying company may cause adverse movements in the value and price of the unit, underlying share or other security, as a result of which, the Warrantholders may, in certain circumstances, sustain a total loss of their investment if, for Call Warrants, the price of the underlying share or unit falls below or is equal to the relevant exercise price on the relevant valuation date(s) and, for Put Warrants, the price of the underlying share or unit is equal to or higher than the relevant exercise price on the relevant valuation date(s);
- (d) due to their nature, the Warrants can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Warrants may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price

of the underlying share, unit or index, dividends and interest rate, the time remaining to expiry and the creditworthiness of the Issuer;

- (e) before exercising or selling the Warrants, the holders of Warrants should carefully consider, among other things, (i) the trading price of the Warrants; (ii) the value and volatility of the reference security (or basket of securities) or index or other basis of reference as specified in the relevant Supplemental Listing Document; (iii) the time remaining to expiration; (iv) in the case of cash settled Warrants, the probable range of Cash Settlement Amounts; (v) any change(s) in interim interest rates and dividend yields; (vi) any change(s) in currency exchange rates; (vii) the depth of the market or liquidity of the reference security (or basket of securities) or index or other basis of reference as specified in the relevant Supplemental Listing Document; (viii) any related transaction costs; and (ix) the creditworthiness of the Issuer;
- (f) the purchase or sale of the Warrants may give rise to various ancillary costs (including, without limitation, any transaction fees and commissions) in addition to the purchase or sale price. These ancillary costs may considerably reduce or even consume any returns generated on the Warrants. To the extent that any further parties are involved in the execution of an order, investors may incur brokerage fees, commissions, and other fees charged by these parties. Prospective investors should obtain information on all additional costs in connection with the purchase, custody or sale of the Warrants prior to investing in any of the Warrants.
- (g) fluctuations in the price of the underlying share, units or other security will affect the price of the Warrants but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Warrants to hedge their market risk associated with investing in the underlying share, unit or other security which may be specified in the relevant Supplemental Listing Document, should recognise the complexities of utilising the Warrants in this manner;
- (h) the settlement amount of Warrants at any time prior to the expiry of the Warrants may be less than the trading price of such Warrants at that time. The difference between the trading price and the settlement amount as the case may be, will reflect, among other things, a “time value” for the Warrants. The “time value” of the Warrants will depend partly upon the length of the period remaining to the expiry date of the Warrants and expectations concerning the value of the shares of the underlying company, units of the underlying trust or index;
- (i) investors should note that an investment in the Warrants involves valuation risks in relation to the underlying asset. The value of the underlying asset may vary over time and may increase or decrease by reference to various factors, which may include corporate actions (where the underlying asset is a share or a basket of shares), changes in computation or composition (where the underlying asset is an index), macro economic factors and market trends. Certain (but not all) events relating to the underlying shares or any indices underlying the Warrants require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions (including, but not limited to, adjusting the Exercise Price (if applicable) and the Conversion Ratio). However, the Issuer is not required to make an adjustment for every event that affects the underlying asset. If an event occurs that does not require the Issuer to adjust the Conversion Ratio or any other part of the Conditions, the market price of the Warrants and the return upon the exercise of the Warrants may be affected;
- (j) as indicated in the Conditions and as shall be indicated in the applicable Supplemental Listing Document, a Warrantholder must tender a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants in a particular series will either have to sell their Warrants or purchase additional Warrants, incurring transactions costs in each case, in order to realise their investment;
- (k) unless otherwise specified in the Conditions, in the case of any exercise of the Warrants, there may be a time lag between the date on which the Warrants are exercised and the time the

applicable settlement amount relating to such an event is determined. Any such delay between the time of exercise and the determination of the settlement amount will be specified in the Conditions. However such delay could be significantly longer, particularly in the case of a delay in the exercise of the Warrants arising from, a determination by the Issuer that a Market Disruption Event has occurred at any relevant time or that adjustments are required in accordance with the Conditions. That applicable settlement amount may change significantly during any such period, and such movement or movements could decrease or modify the settlement amount of the Warrants;

- (l) the description “Average Return” refers to the calculation of the return on the Warrants only i.e. that the return of the Average Return Call Warrants is calculated by reference to the average of the Periodic Reference Prices over each of the Periodic Fixing Dates. If on the expiry date, the average of the Periodic Reference prices is less than the Exercise Price, the Warrantholders will not receive any payment and will sustain a total loss of their investment;
- (m) if, whilst any of the European Style Cash Settled Call Warrants, European Style Cash Settled Basket Call Warrants, European Style Index Call Warrants, European Style Cash Settled Average Return Call Warrants, European Style Investment (Dividend) Call Warrants, European Style Trust Call Warrants, European Style Cash Settled Put Warrants and/or European Style Index Put Warrants, European Style Cash Settled Average Return Put Warrants, European Style Trust Put Warrants remain unexercised, trading in the underlying shares or units on the relevant stock exchange is suspended, trading of options or futures relating to the relevant Index on any options or futures exchanges is suspended, or options or futures generally on any options and/or futures exchanges on which options or futures relating to the relevant Index are traded is suspended, or if the relevant Index for whatever reason is not calculated, trading in the relevant Warrants may be suspended for a similar period;
- (n) in the case of European Style Cash Settled Call Warrants, European Style Cash Settled Basket Call Warrants, European Style Cash Settled Average Return Call Warrants, European Style Investment (Dividend) Call Warrants, European Style Trust Call Warrants, European Style Cash Settled Put Warrants, European Style Cash Settled Average Return Put Warrants and/or European Style Trust Put Warrants, certain events relating to the shares of the underlying company or units of the underlying trust require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions, and investors have limited anti-dilution protection under the Conditions. The Issuer may at its sole discretion adjust the entitlement upon exercise or valuation of the Warrants for events such as, amongst others, subdivision of the shares of the underlying company or units of the underlying trust and dividend *in specie*, however the Issuer is not required to make an adjustment for every event that may affect the shares of the underlying company or units of the underlying trust;
- (o) in the case of the European Style Investment (Dividend) Call Warrants, the purchase of the Warrants confers on the Warrantholder (if they are a holder of the Warrants on the Dividend Record Date (as defined below)) the right to any ordinary dividend declared by the underlying company during the period commencing on the issue date of the Warrants up to and including the expiry date. This excludes any amount determined by the Issuer to be in the nature of an extraordinary dividend, special dividend or capital distribution. The Issuer will make such adjustments as it believes appropriate in these circumstances according to the Conditions of the Warrants. The purchase of Warrants does not confer on the Warrantholder any right (whether in respect of voting or other distributions in respect of the Shares or otherwise) which the holder of a share may have;
- (p) in the case of European Style Cash Settled Call Warrants, European Style Cash Settled Basket Call Warrants, European Style Index Call Warrants, European Style Cash Settled Average Return Call Warrants, European Style Investment (Dividend) Call Warrants, European Style Trust Call Warrants, European Style Cash Settled Put Warrants, European Style Index Put

Warrants, European Style Cash Settled Average Return Put Warrants and/or European Style Trust Put Warrants, investors should note that the Issuer's obligations to pay amounts in accordance with the terms thereof as set forth herein shall be discharged by delivery of the aggregate Cash Settlement Amount (if positive);

- (q) in the case of European Style Index Call Warrants and European Style Index Put Warrants, certain events relating to indices permit the Issuer to make certain determinations in respect of the indices;
- (r) in the case of European Style Index Call Warrants and European Style Index Put Warrants, a level for the Index (as defined in the Conditions) may be published by the Index Sponsor (as defined in the Conditions) at a time when one or more shares comprised in the Index are not trading. If this occurs on a Valuation Date (as defined in the Conditions) and there is no Market Disruption Event under the terms of the relevant Warrants then the value of such shares will not be included in the closing level of the Index. In addition, certain events relating to the Index (including a material change in the formula or the method of calculating the Index or a failure to publish the Index) permit the Issuer to determine the level of the Index on the basis of the formula or method last in effect prior to such change of formula;
- (s) a European Style Cash Settled Call Warrant, a European Style Cash Settled Basket Call Warrant, a European Style Index Call Warrant, a European Style Cash Settled Average Return Call Warrant, a European Style Trust Call Warrant, a European Style Cash Settled Put Warrant, a European Style Index Put Warrant, a European Style Cash Settled Average Return Put Warrant or a European Style Trust Put Warrant is only exercisable on its respective expiry date and may not be exercised by Warrantholders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount (where applicable) is zero or negative, a Warrantholder will lose the value of his investment;
- (t) investors should note that there may be an exchange rate risk in the case of the Warrants where the Cash Settlement Amount may be converted from a foreign currency into Singapore dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Warrants. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;
- (u) investors should note that it is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. A decrease in the liquidity of the Warrants, the underlying shares, futures or other security related to the Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants. The Issuer may, but is not obligated to, at any time, purchase Warrants at any price in the open market or by tender or private agreement. Any Warrants so purchased may be held or resold or surrendered for cancellation. As European Style warrants are only exercisable on the expiry date, an investor will not be able to exercise his warrants to realize value in the event that the relevant issue becomes illiquid;
- (v) in the case of European Style Investment (Dividend) Call Warrants, the European Style Investment (Dividend) Call Warrants are exercisable at the election of the Warrantholder. In the event an Election Notice is not given on or before the Election Notice Date or an Election Notice is not valid, the Warrantholder will be entitled to a Cash Settlement Amount (if positive) on the expiry date. Accordingly, if on the expiry date the Cash Settlement Amount (where applicable)

is zero or negative, a Warrantholder will lose the value of his investment and will not be delivered the Physical Settlement Shares;

- (w) in the event of any delisting of the Warrants from the SGX-ST (other than at expiry), the Issuer will use all reasonable efforts to list the Warrants on another exchange. If the Warrants are not listed or traded on any exchange, pricing information for the Warrants may be difficult to obtain and the liquidity of the Warrants may be adversely affected;
- (x) two or more risk factors may simultaneously have an effect on the value of a Warrant such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Warrant;
- (y) various potential and actual conflicts of interest may arise from the overall activities of Vontobel Holding AG and its consolidated subsidiaries (which includes the Issuer, its affiliates and associated companies (if any)) (collectively, the “**Vontobel Group**”).

The Vontobel Group consists of diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of private and investment banking, brokerage, asset management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Vontobel Group, in connection with their other business activities, may possess or acquire material information or publish or issue research reports about the underlying shares, baskets of shares, units and/or indices. Such activities and information may involve or otherwise affect issuers of underlying shares, baskets of shares, units and/or indices in a manner that may cause consequences adverse to the Warrantholders or otherwise create conflicts of interests in connection with the issue of Warrants by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer is not a fiduciary of Warrantholders and it has no obligation to disclose such information about the underlying shares, baskets of shares, units and/or indices or such activities. The Issuer and its officers and directors may engage in any such activities without regard to the issue of Warrants by the Issuer or the effect that such activities may directly or indirectly have on any Warrant;

- (z) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market-maker's market-making activities, the Issuer and any of its affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the underlying shares, baskets of shares, units and/or indices or related derivatives. In addition, in connection with the offering of any Warrants, the Issuer and any of its affiliates may enter into one or more hedging transactions with respect to the underlying shares, baskets of shares, units and/or indices or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its affiliates, the Issuer and any of its affiliates may enter into transactions in the underlying shares, baskets of shares, units and/or indices or related derivatives which may affect the market price, liquidity or value of the Warrants and which may affect the interests of Warrantholders;
- (aa) if the Issuer determines in good faith that the performance of its obligations under the Conditions has become unlawful or impractical in whole or in part, the Issuer may at its sole and absolute discretion and without obligation, terminate early the Warrants, in which event the Issuer to the extent permitted by any relevant applicable law, will pay to each Warrantholder an amount as determined by the Issuer, in its sole and absolute discretion, in accordance with the Conditions. If the Issuer terminates the Warrants prior to expiry date, the Issuer will, if and to the extent permitted by any relevant applicable law, pay each Warrantholder an amount to be determined by the Issuer, in its sole and absolute discretion, to be the fair market value of the Warrants immediately prior to such termination or

otherwise determined as specified in the Conditions, notwithstanding the illegality or impracticality;

- (bb) the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its affiliates with respect to the primary or secondary market in the Warrants. The arrangements may result in the benefit to investors in Warrants buying and selling Warrants through nominated brokers by reducing the commission that was paid directly by those Warrantheolders. Investors in the Warrants should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to deal, exclusively in the Warrants, therefore any broker and/or its affiliates may from time to time engage in transactions involving the shares in the underlying company, units in the underlying trust and/or structured products of other issuers over the same shares in the same underlying company or units in the underlying trust as the Warrants for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Warrants and present certain conflicts of interests;
- (cc) the Issuer is a foreign entity and is established overseas. All of the assets of the Issuer are located outside Singapore. In addition, the directors and officers of the Issuer are nationals or residents of countries other than Singapore.

If the Issuer becomes insolvent or is the subject of a winding-up or liquidation order or similar proceedings, the insolvency laws in the country in which it is incorporated would apply. The process of making a claim under the foreign law may be complex and time-consuming;

- (dd) changes in Singapore tax law and/or policy may adversely affect Warrantheolders. Warrantheolders who are in any doubt as to the effects of any such changes should consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers;
- (ee) as the Warrants are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“CDP”):
 - (i) investors should note that no definitive certificate will be issued in relation to the Warrants;
 - (ii) there will be no register of Warrantheolders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants by way of interest (to the extent of such number) in the global warrant certificate in respect of those Warrants represented thereby shall be treated as the holder of such number of Warrants;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Warrants; and
 - (iv) notices to such Warrantheolders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST and/or rely on their brokers/custodians to obtain such notices; and
- (ff) the value of the Warrants depends upon, amongst other things, the ability of Issuer to fulfil its obligations under the terms which, in turn is primarily dependent on the financial prospects of the Issuer.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. There are a number of risks faced by the Issuer, including those that encompass a broad

range of economic and commercial risks, many of which are not within its control. The performance of all of the Issuer's major businesses can be influenced by external market and regulatory conditions. If all or most of the Issuer's businesses were affected by adverse circumstances at or about the same time, overall earnings would suffer significantly.

The Issuer's risk management framework incorporates active management and monitoring of risks including market, credit, equity, liquidity, operational, compliance, foreign exchange, legal, regulatory and reputation risks. These risks create the potential for the Issuer to suffer loss.

- (i) *The Issuer's business and financial condition may be negatively impacted by adverse credit, economic and other market conditions, which may have an adverse impact on the Issuer's financial condition and liquidity.*

The Issuer's business is influenced by the prevailing market conditions and the impact they have on the operating (consolidated) Vontobel Group companies. The Issuer focuses on three business units: Private Banking, Asset Management and Investment Banking. The Issuer's parent company, Vontobel Holding AG has defined the Issuer's market risk, liquidity risk, credit risk and operational risks in particular. Risks to the Issuer's business may be posed by general market risks, which may arise as a result of declining market prices, such as interest rates, exchange rates, share prices, commodity prices and the resulting volatilities, and have a negative impact on the valuation of the underlyings and/or derivative financial products. In addition, the Issuer is exposed to credit risk, since this type of risk is associated with the direct lending business and may also arise in connection with transactions associated with credit risk, such as OTC derivative transactions (transactions arranged individually between two parties), money market transactions, or securities lending and borrowing. The Issuer does not engage in any commercial lending business. Finally, operational risks may arise as part of the Issuer's operating activities and lead to losses due to inadequate or non-existent processes or systems, employee misconduct, or external events.

The Issuer may continue to endure similar or heightened adverse impacts in the future, depending upon factors such as how economies in the United States and Europe perform and the rate at which any positive or negative development occurs. The Issuer may also face new costs and challenges as a result of general economic and geopolitical events and conditions. For instance, a European sovereign default, slowdown in the United States economy or significant change in policy, downfalls in emerging economies or departure of a European country from the Euro zone or the market perception of any such events would disrupt global funding markets and the global financial system more generally. The Issuer may also be impacted indirectly through its counterparties that may have direct exposure to United States and European sovereigns and financial institutions.

- (ii) *The Issuer's liquidity, profitability and businesses may be adversely affected by an inability to access international capital markets or by an increase in its cost of funding.*

The Issuer's financial condition may also be impacted by liquidity bottlenecks that may be caused by, for example, cash outflows when loan commitments are drawn down or it is impossible to prolong deposits, so that the Issuer would be temporarily unable to meet short-term financing requirements. The Issuer is thus exposed to the risk that it may become unable to meet its financial commitments when they fall due, which could arise due to mismatches in cashflows. Liquidity is essential to the Issuer's businesses. The Issuer's liquidity could be impaired by an inability to access

credit and debt markets, an inability to sell assets or unforeseen outflows of cash or collateral. In difficult credit and debt markets, the Issuer may be forced to find alternative funding sources or fund its operations at a higher cost.

If the Issuer's current sources of funding prove to be insufficient, the Issuer may be forced to seek alternative financing. The availability of alternative financing will depend on a variety of factors, including prevailing market conditions, the availability of credit, the Issuer's ratings and credit capacity. The cost of these alternatives may be more expensive than the Issuer's current sources of funding or include other unfavourable terms, or the Issuer may be unable to raise as much funding as it needs to support its business activities. This could slow the growth rate of the Issuer's businesses, cause the Issuer to reduce its term assets and increase the Issuer's cost of funding, all of which could reduce the Issuer's profitability and may have an adverse impact on the Issuer's ability to fulfil its obligations under the Warrants. Other risks associated with funding that the Issuer may face are over reliance on a particular funding source or a simultaneous increase in funding costs across a broad range of sources.

General business and economic conditions are key considerations in determining the Issuer's access to capital markets, cost of funding and ability to meet its liquidity needs. These include, but are not limited to, changes in interest rates, inflation, monetary supply, commodities volatility and results, fluctuations in both debt and equity capital markets, relative changes in foreign exchange rates, consumer confidence and the relative strength of the economies in which the Issuer operates. Renewed turbulence or a worsening general economic climate, such as in Europe or the United States, could adversely impact any or all of these factors. Should conditions remain uncertain for a prolonged period, or deteriorate further, the Issuer's funding costs may increase and may limit the Issuer's ability to replace, in a timely manner, maturing liabilities, which could adversely affect the Issuer's ability to fund and grow its business or otherwise have a material impact on the Issuer.

Since 2008, governments and central banks around the globe (including in the United States, Europe and Japan) have taken steps to increase liquidity, restore confidence in financial systems and bolster economic growth. There can be no assurance, however, that such measures will result in a sustained long-term stabilisation of financial markets. In addition, governments have begun to withdraw or alter their support of such relief measures and it is not clear what long term effect these actions, or the consequential impacts of substantial fiscal stimulus on the budgets of sovereigns, will have on global economic conditions or the Issuer's financial condition. If access to public bond markets over the medium term worsens, and other existing avenues of term funding become unavailable, the Issuer may need to consider selling securities or other liquid assets. In the event the Issuer is required to sell assets, there is no assurance that the Issuer will be able to obtain favourable prices on the assets it offers for sale or will be able to successfully complete asset sales at an acceptable price or in an acceptable timeframe. The sale of income earning assets may also adversely impact the Issuer's income in future periods. If these occur, the Issuer's profitability and business may be adversely affected.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among the financial institutions. As a result, concerns, whether well-founded or not, about, or default by, any large financial institution, or by a sovereign that guarantees the indebtedness or other commercial transactions of such an institution, could cause further market-wide liquidity problems which may adversely affect the profitability and business of

the Issuer.

- (iii) *Regulatory changes or a failure to comply with regulatory standards, law or policies may adversely affect the Issuer's business, operations or financial condition.*

Some of the Issuer's businesses are highly regulated, including regulation relating to prudential and liquidity requirements. Failure to comply with legal and regulatory requirements, including tax laws and regulations, and rules relating to corruption and illegal payments and money laundering, or government policies, may have an adverse effect on the Issuer and its reputation among customers and regulators in the market.

The Issuer is supervised by FINMA.

FINMA has broad administrative power to regulate and intervene in the operations of the businesses of the Issuer. These broad administrative powers are generally designed to protect depositors and maintain the stability of the banking system as a whole. The exercise of these broad administrative powers could have a material adverse effect on the Issuer and its business, reputation, prospects, financial performance or financial condition.

Regulation is becoming increasingly more extensive and complex. Some areas of potential regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach. Such an approach may not appropriately respond to the specific requirements of the jurisdictions in which the Issuer operates and, in addition, such changes may be inconsistently introduced across jurisdictions.

The Issuer could also be adversely affected by future changes in legal, regulatory and compliance requirements (including requirements relating to licensing). In particular, any change in regulation of the Issuer to increase the requirements for capital adequacy or liquidity, or a change in accounting standards, could have an adverse effect on the Issuer's businesses.

A number of regulatory changes have been implemented or proposed in various jurisdictions as a result of the global economic crisis, which may significantly alter the regulatory framework and may adversely affect the Issuer's competitive position and profitability. In particular, the Basel Committee on Banking Supervision and regulators in other jurisdictions where the Issuer has a presence have released discussion papers and in some instances final regulations in regard to strengthening the resilience of the banking and insurance sectors, including proposals to strengthen capital and liquidity requirements for the banking sector.

In Switzerland, the Basel III standards have been implemented by adapting the Capital Adequacy Ordinance and the relevant FINMA circulars. The new provisions entered into force in 2013 and should be fully implemented by the end of 2018.

(see also:

<https://www.finma.ch/en/finma/international-activities/policy-and-regulation/bcbs/>)

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act, being legislation in the United States, significantly affects financial institutions and financial activities in the United States. It is not possible to predict what further future regulatory or related changes may follow or the effect any such changes would have on the Issuer and its businesses.

- (iv) *Future growth, including through acquisitions and other corporate transactions, or*

exiting or restructuring existing businesses may expose the Issuer to additional risks and costs.

Future growth of the Issuer, including through acquisitions, mergers and other corporate transactions, as well as planned business initiatives and expansions of existing businesses, may place significant demands on the Issuer's risk management and operational infrastructure and result in increased expenses.

Activities to expand its operations may also bring the Issuer into contact, directly or indirectly, with individuals and entities that are new clients, with new asset classes and other new products or new markets. These business activities expose the Issuer to new and enhanced risks including reputation risks arising from dealing with a range of new counterparties and investors, along with these activities being exposed to the range of risks described in this document. If these risks eventuate, they may have a negative impact on the Issuer's results, financial conditions or operations.

The Issuer may also underestimate the costs associated with outsourcing, exiting or restructuring existing businesses.

With respect to acquisitions, the Issuer may become subject to unknown liabilities of an acquired business, may not achieve expected synergies, cost savings or may otherwise incur losses. The Issuer may lose market share or customers, or may face disruptions to operations and the Issuer's management time may be diverted to facilitate the integration of acquired businesses.

- (v) *Changes and increased volatility in currency exchange rates may adversely impact the Issuer's financial results and its financial and regulatory capital positions.*

Investors should be aware that exchange rate movements may adversely impact the Issuer's future financial results.

The Issuer's financial statements are presented in Swiss Francs. However a portion of the Issuer's operating income is derived from offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Swiss Franc is exchangeable for other currencies may adversely impact the Issuer's financial results and operations and its regulatory capital and funding position. In particular, a depreciating Swiss Franc increases the capital requirement for assets denominated in currencies other than Swiss Francs. Further, where the Issuer conducts business activities offshore, capital and funding are generally deployed locally and thus the Issuer's capital is held in, and funding is sourced from, a broad range of currencies.

- (vi) *The Issuer's business is subject to the risk of loss associated with falling prices in the equity and other markets in which it operates.*

Market risk is the exposure to adverse changes in the value of the Issuer's trading portfolios as a result of changes in market prices or volatility, including risks arising from foreign exchange rates, interest rates, equities, commodities, derivatives (which are subject to settlement and other risks) and the correlation of market prices and rates within and across markets. Any decline in global asset markets, including equity, property, and other asset markets, or in market liquidity, could require the Issuer to hold its investment assets for longer, or sell these assets at a lower price than historically expected and this may impact the Issuer's rate of return on these assets and require funding for longer periods than anticipated. If any of these occur,

they may have an adverse impact on the Issuer's results of operations and financial condition. In addition, a decline in asset prices could negatively impact the fees the Issuer receives from assets that it manages and that it invests in such assets.

The Issuer's trading income may be adversely impacted during times of subdued market conditions and client activity. Furthermore, declining asset prices could adversely impact the Issuer's customers and the security the Issuer holds against loans, which may impact the Issuer's results of operations due to default. These risks may impact the value of financial instruments and other financial assets that are carried at fair market value.

- (vii) *Failure of the Issuer to maintain its ratings could adversely affect its cost of funds, liquidity, competitive position and access to capital markets.*

The Issuer is assigned ratings by a rating agency based on an evaluation of a number of factors, including the Issuer's ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, diverse funding sources and disciplined liquidity monitoring procedures.

If one or more of these ratings were downgraded, suspended, withdrawn or placed on review, this could have the effect of increasing the cost of funds raised by the Issuer from financial markets, reducing the Issuer's ability to access certain capital markets, triggering the Issuer's obligations under certain of its contracts, and/or adversely impacting the willingness of counterparties to deal with the Issuer.

A rating downgrade, suspension, withdrawal or review could be driven by the occurrence of one or more of the risk factors described in this document or by other events.

- (viii) *Competitive pressure, both in the financial services industry as well as in the other industries in which the Issuer operates, could adversely impact its business and results of operation.*

The Issuer faces significant competition from local and international competitors, which compete vigorously for participation in the various markets and sectors across which the Issuer operates. In particular, the Issuer competes, both in Switzerland and internationally, with asset managers, investment banking firms, and other investment and service firms. Any trend toward consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power. The effect of competitive market conditions, especially in the Issuer's main markets, products and services, may lead to an erosion in the Issuer's market share or margins and adversely impact the Issuer's business and results of operation.

- (ix) *Movements in interest rates may affect earnings or the value of the Issuer.*

Interest rate risk arises from a variety of sources including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates may affect earnings or the value of the Issuer.

- (x) *An increase in the failure of third parties to honour their commitments in connection with the Issuer's trading, lending or other activities, including the funds that it manages, may adversely impact its business.*

The Issuer is exposed to the risk of financial loss as a result of failure by a client or

other counterparty to meet its contractual obligations. The Issuer assumes counterparty risk in connection with its lending, trading, derivatives and other businesses where it relies on the ability of a third party to satisfy its financial obligations to the Issuer on a timely basis. The resultant credit exposure will depend on a number of factors, including the financial condition of the counterparty, the value of property the Issuer holds as collateral and the market value of the counterparty instruments and obligations the Issuer holds as well as the extent to which the Issuer hedges such credit exposures.

Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. To the extent the Issuer's credit exposure increases, it could have an adverse effect on the Issuer's business and profitability if material unexpected credit losses occur. The Issuer is also subject to the risk that its rights against third parties may not be enforceable in all circumstances which may adversely impact the Issuer's business and profitability.

- (xi) *The Issuer is exposed to operational risk, which may adversely affect its business, operations and financial condition.*

The business of the Issuer depends on the ability to settle a large number of transactions efficiently and accurately. Operational risks and losses can be caused by fraud, human error, incorrect documentation of transactions or a lack of internal authorisation, as well as the failure to comply with supervisory regulations or internal rules of procedure, the failure of technical facilities, natural disasters or the poor performance of external third parties. Although the Issuer has adopted measures to control risk and mitigate loss or damage and significant funds are invested in the development of efficient processes and employee training, there is only a certain probability, but no absolute certainty, that such processes are adequate to control the operational risks of the Issuer.

To mitigate the risks across the Issuer's business activities, the Issuer maintains third party insurance and self-insurance that it considers to be prudent for the scope and scale of its activities. If the Issuer's insurance carriers fail to perform their obligations, the Issuer's third party insurance cover is insufficient or its self-insurance is too great for a particular matter or group of related matters, its net loss could adversely impact its results and operations.

While the Issuer has adopted policies and procedures to control exposure to, and limit the extent of, these risks, there are inherent limitations in any risk management control system and control breakdowns and system failures can occur.

Notwithstanding the foregoing, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations in respect of the Warrants.

The Issuer is also subject to the risk that its agreements do not reflect the commercial intent of the parties, especially for complex transactions including those which involve derivatives.

- (xii) *The Issuer's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.*

The Issuer is reliant on the ability to hire and retain appropriately qualified staff. In order to do this, the Issuer must compensate employees at or above market levels. Current or future laws or regulatory or public scrutiny may restrict the Issuer's ability to move its staff from one jurisdiction to another or change the way the Issuer

remunerates its employees. If the Issuer is unable to continue to attract and retain qualified employees, its performance, including its competitive position, could be materially adversely affected.

- (xiii) *The Issuer is substantially dependent on its brand and reputation.*

The Issuer's ability to attract and retain customers is substantially dependent on its brand and reputation. If the Issuer suffers damage to its reputation, including damage to the brands used by members of the Issuer and the funds they manage, this could reduce business volume as clients might be reluctant to do business with the Issuer due to their negative perceptions. Reputational issues can arise for many reasons, including actual or alleged breaches of regulation or conflicts of interests. This would adversely impact the Issuer's earnings.

- (xiv) *The Issuer's operations are exposed to potential tax liabilities that could have an adverse impact on its results of operation and reputation.*

The Issuer is exposed to risks arising from the manner in which Swiss and international tax regimes may be applied and enforced, both in terms of its compliance and the tax aspects of transactions on which the Issuer works with clients and other third parties. The Issuer's international, multi-jurisdictional platform increases the Issuer's tax risks. In addition, as a result of increased funding needs by governments employing fiscal stimulus measures, revenue authorities in many of the jurisdictions in which the Issuer operates may become more active in their tax collection activities.

While the Issuer believes that it has in place controls and procedures that are designed to ensure that transactions involving third parties comply with applicable tax laws and regulations, any actual or alleged failure to comply with or any change in the interpretation, application or enforcement of applicable tax laws and regulations could adversely affect the Issuer's reputation and affected business areas, significantly increase its own tax liability and expose the Issuer to legal, regulatory and other actions.

- (xv) *Litigation, regulatory actions and contingent liabilities may adversely impact the Issuer's results of operations.*

The Issuer may, from time to time, be subject to material litigation, regulatory actions and contingent liabilities, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory violations, which, if they crystallise, may adversely impact upon the Issuer's results of operation and financial condition in future periods or the Issuer's reputation. The Issuer regularly obtains legal advice and makes provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm the Issuer's reputation or brand, thereby adversely affecting its business.

- (xvi) *Poor performance of funds would cause a decline in the Issuer's revenue and results of operations and may adversely affect the Issuer's ability to raise capital for future funds.*

The Issuer's financial condition and results of operation are directly and indirectly affected by the results of the funds or the assets it and other members of the Vontobel

Group manage, particularly the Issuer's managed funds. Revenue from these funds are derived principally from three sources: (i) management fees, based on assets under management; (ii) incentive income, based on the performance of the funds; and (iii) investment income based on investments in the funds. If the value of the managed funds decline, the assets under management would also decline, which would result in a decrease in management fees received by the Issuer. If any of these funds perform poorly due to market conditions or underperformance by the Issuer, this may cause a decline in assets under management and the Issuer's revenue and results of operations. This may also adversely affect the Issuer's ability to raise capital for future funds and may affect the Issuer's brand and reputation.

(xvii) *The Issuer may experience writedowns of its funds management and other assets.*

Market volatility may impact the value of the Issuer's managed funds. Future valuations, in light of factors then prevailing, may result in impairments to the investments in these funds. In addition, at the time of any sale of any investments in its funds, the price ultimately realised will depend on the demand in the market at the time and may be materially lower than their current market value. Any of these factors could require the Issuer to make write downs on the investments in its funds management assets and other investments and assets, which may be significant and may have an adverse effect on the results of its operations and financial condition in future periods.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED CALL WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
- (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to:

(A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded (“**Relevant Stock Exchange**”) (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below) LESS (ii) the Exercise Price for the time being MULTIPLIED by (B) the Conversion Ratio,

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“**Conversion Ratio**” means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“**Market Disruption Event**” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of

the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the **“Exercise Expenses”**). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no

amount is payable.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
 - (i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

- (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Shares that are not fully paid;
 - (v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;
 - (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a

Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantheolders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantheolders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. “**Nationalisation**” means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. **Meetings of Warrantheolders; Modification**

- (a) *Meetings of Warrantheolders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantheolders. Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. **Notices**

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder at his address appearing in the records maintained by CDP or, in the case of joint Warrantheolders, addressed to the

joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.

- (b) *Notices.* All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. **Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

12. **De-Listing**

- (a) *De-Listing.* If at any time, any Shares cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.

- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantheolders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantheolders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination for Illegality and Force Majeure, etc.

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantheolders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 9.

14. Governing Law

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantheolder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED BASKET CALL WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
- (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

References in these Conditions to “**Company**” shall be a reference to a company comprising one of the Companies and references to “**Shares**” shall be a reference to the shares of the Companies or, as the context requires, to the shares of a particular Company.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants,

notwithstanding any *notice* to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. **Warrant Rights and Exercise Expenses**

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to: (1) (i) the aggregate for all the Shares constituting the basket as specified by the Issuer for the time being of the amount derived by multiplying (A) the number or fraction of the relevant Shares constituting the basket by (B) the arithmetic mean of the respective closing prices of such Shares (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded (“**Relevant Stock Exchange**”) (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below), LESS (ii) the Exercise Price for the time being MULTIPLIED by (2) the Conversion Ratio.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“**Conversion Ratio**” means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“**Market Disruption Event**” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing

of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the **“Exercise Expenses”**). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. *Exercise of Warrants* shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-

named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the relevant Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the relevant Shares are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
 - (i) a subdivision, consolidation or reclassification of the relevant Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the relevant Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash

- or otherwise) at less than the prevailing market price as determined by the Issuer;
- (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the relevant Shares that are not fully paid;
 - (v) a repurchase by the Company of the relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the relevant Shares.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the relevant Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;
 - (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an

adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantheolders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantheolders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. “**Nationalisation**” means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer,

give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is *given, notice* as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. **Meetings of Warrantheolders; Modification**

- (a) *Meetings of Warrantheolders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantheolders.

Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. **Notices**

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.
- (b) *Notices.* All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. **Liquidation**

In the event of a liquidation or dissolution of any of the Companies or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of any of the Companies, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

12. **De-Listing**

- (a) *De-Listing.* If at any time, any Shares cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where any of the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these

Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantheolders, make such adjustments to the entitlements of Warrantheolders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.

- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantheolders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantheolders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination for Illegality and Force Majeure, etc.

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantheolders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantheolders in accordance with Condition 9.

14. Governing Law

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantheolder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of

Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE INDEX CALL WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 10) are issued subject to and with the benefit of:
- (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. **Warrant Rights and Exercise Expenses**

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (if any) in the manner set out in Condition 4.
- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date (as defined below) falls after the Expiry Date, the Expiry Date shall be the Business Day (as defined below) following the Valuation Date).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by the Closing Level of the Index. If the Closing Level of the Index is greater than the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Closing Level of the Index is less than or equal to the Strike Level and the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are exercised automatically in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the

Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Index Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Index Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (i) that fifth Index Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that fifth Index Business Day but for the Market Disruption Event.

"Market Disruption Event" means the occurrence or existence, on a Valuation Date, of any of:

- (A) the suspension or limitation of the trading of a material number of securities/commodities from time to time comprising the Index; or
- (B) the suspension or limitation of the trading of securities/commodities (1) on the SGX-ST or the relevant stock exchange on which the Shares related to the Warrants are traded ("**Relevant Stock Exchange**") (as specified in the relevant Supplemental Listing Document) or (2) generally; or
- (C) the suspension or limitation of the trading of (1) options or futures relating to the Index on any options or futures exchanges or (2) options or futures generally on any options and/or futures exchanges on which options or futures relating to the Index are traded; or
- (D) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

For the purposes of this definition, (aa) the limitation on the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any exchange, and (bb) a limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of the movements in price exceeding the levels permitted by any relevant exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the relevant exchange will constitute a Market Disruption Event.

"Valuation Date" means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, the date or dates specified in the relevant Supplemental Listing Document.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the

exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.

- (e) *Business Day*. In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore and an “**Index Business Day**” shall be a day on which the Index is published by the Index Sponsor or, as the case may be, the Successor Index Sponsor and where the Index closes at the normal trading hours.

5. Warrant Agent

- (a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantheolders in accordance with Condition 9.
- (b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantheolders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantheolders.

6. Adjustments to the Index

- (a) *Successor Sponsor Calculates and Reports Index*. If the Index is (i) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Index Sponsor**”) acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by the Successor Index Sponsor or that successor index, as the case may be.
- (b) *Modification and Cessation of Calculation of Index*. If:
 - (i) on or prior to a Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stocks, contracts or commodities and other routine events); or
 - (ii) on a Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and publish the Index,

then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at that Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant exchange).

- (c) *Notice of Determinations.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of determination in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. **Meetings of Warrantholders; Modification**

- (a) *Meetings of Warrantholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders.

Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. **Notices**

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.
- (b) *Notices.* All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

11. **Early Termination for Illegality and Force Majeure, etc.**

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

12. **Governing Law**

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

13. **Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

14. **Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED AVERAGE RETURN CALL WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
 - (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on

compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Conversion Ratio multiplied by:

$$\frac{\text{Sum of the Periodic Reference Prices}}{\text{Total number of Periodic Fixing Dates}} - \text{Exercise Price}$$

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

“**Conversion Ratio**” means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“**Periodic Reference Price**” means, in respect of each Periodic Fixing Date, the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded (“**Relevant Stock Exchange**”) (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date prior to the relevant Periodic Fixing Date.

The Issuer will announce each Periodic Reference Price (on the web-site of the SGX-ST) after trading on the relevant Periodic Fixing Date (save for the Expiry Date). The Periodic Reference Price in respect of the Expiry Date will be specified in the Expiry Notice.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the Periodic Reference Price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after a Periodic Fixing Date, then (1) the Business Day immediately preceding the relevant Periodic Fixing Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the Periodic Reference Price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“Market Disruption Event” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Valuation Date” means, with respect to the calculation of Periodic Reference Prices, Cash Settlement Amount and the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding a Periodic Fixing Date.

- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the **“Exercise Expenses”**). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash

Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.
- (b) *Definitions.* “Potential **Adjustment Event**” means any of the following:
 - (i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing

holders by way of bonus, capitalisation or similar issue;

- (ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Shares that are not fully paid;
 - (v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:
 - (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;
 - (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “Option Reference Source”) make a corresponding adjustment to any one or more of the Conditions, which

adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantholders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. “**Nationalisation**” means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self- regulatory agencies or such other information as the Issuer deems relevant.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. **Meetings of Warrantholders; Modification**

- (a) *Meetings of Warrantholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders. Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to

comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder at his address appearing in the records maintained by CDP or, in the case of joint Warrantheolders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheolder.
- (b) *Notices.* All notices to Warrantheolders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further warrants so as to form a single series with the Warrants.

12. De-Listing

- (a) *De-Listing.* If at any time, any Shares cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantheolders generally are not materially prejudiced as a consequence of such

De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).

- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.
- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

13. **Early Termination for Illegality and Force Majeure, etc.**

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

14. **Governing Law**

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. **Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. **Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE INVESTMENT (DIVIDEND) CALL WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 12) are issued subject to and with the benefit of:
- (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions) and, in particular, the Warrants will not be secured by Shares (as defined below). Warrantholders will receive the Settlement Amount (as defined below) in accordance with these Conditions.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Definitions.* Unless otherwise defined, the defined terms shall have the following meanings:

“Board Lot” means the minimum board lot size specified by the Issuer in which the Warrants are traded.

“Business Day” means a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Singapore.

“Cash Settlement Amount” in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the FX Rate (if required), multiplied by:

(A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for the Valuation Dates (the **“Final Reference Level”**) LESS (ii) the Exercise Price for the time being MULTIPLIED by (B) the Conversion Ratio.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the **“Last Valuation Date”**) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“Cash Settlement Date” means the date falling no later than five Business Days after the Expiry Date.

“Conversion Ratio” means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“Dividend” means any ordinary dividend declared by the Company during the period commencing on the issue date of the Warrants up to and including the Expiry Date (net of any taxes and charges incurred by the Issuer on such dividend and payable to any applicable authority having power to tax in respect of such a dividend) and which excludes, for the avoidance of doubt, any amount determined by the Issuer to be in the nature of an extraordinary dividend, special dividend or capital distribution.

“Dividend Amount” means, in respect of each Warrant held by Warrantholders as at the Dividend Record Date (as defined below), an amount payable in the Settlement Currency equal to the Dividend multiplied by the Conversion Ratio for the time being.

“Election Notice” means a duly completed election notice, the form of which is obtainable from the Warrant Agent, pursuant to which the Warrantholder elects to exercise the Warrants and receive the Physical Settlement Shares in lieu of the Cash Settlement Amount.

“Election Notice Date” means the date falling nine Exchange Business Days immediately preceding the Expiry Date.

“Exchange Business Day” means a day (excluding Saturdays, Sundays and public holidays) on which the Relevant Stock Exchange is open for dealings during its normal trading hours.

“Exercise Price” means the amount as may be specified by the Issuer.

“FX Rate” means the rate of exchange for the conversion of the Reference Currency to the Settlement Currency as may be specified by the Issuer.

“Market Disruption Event” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Minimum Exercise Amount” means the minimum number of Warrants required as may be specified by the Issuer.

“Physical Settlement Amount” in respect of each Election Notice means the amount calculated as follows:

Number of Warrants to be exercised x Exercise Price x Conversion Ratio

plus the aggregate of the Exercise Expenses as may be determined by the Warrant Agent at that time or, if later, as soon as the same shall have been determined by the Warrant Agent.

“Physical Settlement Shares” means, in respect of each valid Election Notice delivered by a holder, the number of Shares equal to number of Warrants exercised in the Election Notice multiplied by the Conversion Ratio, provided that such number will be rounded down to the nearest Board Lot for the trading of the Shares on the Relevant Stock Exchange on the basis of the Physical Settlement Shares to be delivered for every Board Lot of Warrants. The remaining number of Shares and any fraction thereof will be cash settled in the Settlement Currency based on the Final Reference Level and (if required) converted at the relevant prevailing exchange rate. Such cash amount (the **“Excess Share Cash Amount”**) shall, for the purposes of Condition 4, be treated as

the or, as the case may be, an additional Cash Settlement Amount.

“Physical Settlement Date” means the date falling no later than five Exchange Business Days after the later of the Expiry Date and the day on which the Warrantholder has satisfied any obligations under the terms and conditions of the Warrants to enable the Issuer to deliver, or procure the delivery of the Physical Settlement Shares to the Warrantholder.

“Settlement Amount” means, in respect of each Exercise Amount of Warrants, the Cash Settlement Amount or the Physical Settlement Shares, as applicable.

“Share” means the relevant share or securities as specified by the Issuer.

“Valuation Date” means, with respect to the exercise of the Warrants, and subject to the occurrence of a Market Disruption Event, each of the five Exchange Business Days immediately preceding the Expiry Date.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Exchange Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Exchange Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Exchange Business Day immediately preceding the Expiry Date (the **“Last Valuation Date”**) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

- (b) *Settlement Amount.* Warrantholders are entitled to receive the Physical Settlement Shares in lieu of the Cash Settlement Amount by delivering an Election Notice on or before the Election Notice Date. Accordingly, every Exercise Amount of Warrants entitles each Warrantholder to:
 - (i) if an Election Notice is delivered in accordance with Condition 4(c) on or before the Election Notice Date, the Physical Settlement Shares; or
 - (ii) if no Election Notice is delivered on or before the Election Notice Date, the Cash Settlement Amount (if positive).
- (c) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the Warrants exercised in accordance with Condition 4(c) and/or 4(i) (the **“Exercise Expenses”**).
 - (i) In respect of Warrants which are subject to an Election Notice, Warrantholders will be required to pay all charges which they incur on or in respect of or in

connection with the purchase and transfer of Shares, including without limitation, any applicable depository charges, transaction or exercise charges imposed by CDP, stamp duty, clearing fees, agent's expenses, scrip fees, levies, registration charges and other expenses payable on or in respect of or in connection with such purchase and transfer of Shares.

In addition, Warrantholders will be required to pay a sum equal to all the expenses payable by the seller and transferor of the relevant Shares, including without limitation, any applicable depository charges, transaction or exercise charges imposed by CDP, stamp duty, clearing fees, agent's expenses, scrip fees, levies, registration charges and other expenses payable on or in respect of or in connection with the purchase and transfer of Shares to which the relevant Warrants and/or the exercise of the Warrants relate.

An amount equivalent to the Exercise Expenses must be paid by the Warrantholders together with the Exercise Price in accordance with Condition 4. In certain circumstances, part of the Exercise Expenses may be required to be paid by Warrantholders after the exercise of the Warrants but prior to the credit of the Warrantholders' securities accounts with CDP with the relevant number of Shares.

- (ii) In respect of Warrants exercised in accordance with Condition 4(i), an amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4(j). Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.
- (d) *No Rights.* Except as otherwise provided herein, the purchase of Warrants does not confer on the Warrantheader any right (whether) in respect of voting or other distributions in respect of the Shares or otherwise) which the holder of a Share may have.

3. **Expiry Date**

Unless exercised in accordance with Condition 4(i) or an Election Notice has been delivered in accordance with Condition 4(c), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not an Exchange Business Day, the immediately preceding Exchange Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* In the event an Election Notice is not given in accordance with Condition 4(c), the Warrants shall be deemed to be automatically exercised under Condition 4(i) if the Cash Settlement Amount is positive.
- (b) *Exercise Amounts.* The Warrants may only be exercised in Board Lots or integral multiples thereof.
- (c) *Delivery of Election Notice.* In order to receive the Physical Settlement Shares in lieu of the Cash Settlement Amount, the Warrantheader must deliver to the specified office of the Warrant Agent in Singapore, on or before 12:00 noon (Singapore time) on the Election Notice Date, an Election Notice in respect of a number of Warrants not less

than the Minimum Exercise Amount and a banker's draft or other forms of payment, in each case in immediately available funds, in favour of the Issuer for the Physical Settlement Amount. No Election Notice shall be accepted after 12:00 noon (Singapore time) on the Election Notice Date and the Warrants in respect of which no Election Notice is delivered shall entitle the Warrantholder to the Cash Settlement Amount (if positive).

(d) *Election Notice.* The Election Notice shall:

- (i) declare and confirm that the Warrantholder elects to exercise the Warrants and receive the Physical Settlement Shares in lieu of the Cash Settlement Amount;
- (ii) specify the name(s) and contact details of the Warrantholder(s) and the number of Warrants being exercised;
- (iii) be accompanied by payments by way of banker's draft or other forms of payment, in each case in immediately available funds, in favour of the Issuer for the Physical Settlement Amount;
- (iv) declare and confirm that the Warrantholder has not less than the number of Warrants being exercised in the "Free" balance of such Warrantholder's securities account with CDP;
- (v) specify the number of the Warrantholder's securities account with CDP to be earmarked and debited with each Warrant being exercised and irrevocably authorise the Warrant Agent to earmark upon receipt of the Election Notice, and CDP to debit upon receipt of notification of such earmarking, from such securities account the Warrants being exercised;
- (vi) specify the number of the Warrantholder's securities account with CDP to be credited with the Shares and irrevocably instruct CDP to credit (if applicable) the "Free" balance of such securities account with the Shares;
- (vii) declare that the information and instructions set out above are correct and authorise the Issuer, the Warrant Agent and CDP to act on the said information and instructions; and
- (viii) be delivered in accordance with Condition 4(c) above.

Any Exercise Expenses which have not been determined by the Warrant Agent on the Election Notice Date shall be notified to the Warrantholder as soon as practicable after determination thereof by the Warrant Agent and shall be paid by the Warrantholder forthwith.

(e) *Consequences of delivery of an Election Notice.* Delivery of an Election Notice in accordance with Condition 4(c) shall constitute (i) an irrevocable election and undertaking by the Warrantholder specified in such Election Notice to exercise the number of Warrants specified in such Election Notice and to receive the Physical Settlement Shares in lieu of the Cash Settlement Amount in respect of such Warrants and (ii) an irrevocable authority to the Warrant Agent to earmark, and to CDP to debit, the number of Warrants exercised in the "Free" balance of the relevant Warrantholder's securities account with CDP specified in the Election Notice.

If the Exercise Expenses or the full Physical Settlement Amount in respect of any Warrants being exercised are not received in accordance with Conditions 2(c) and 4(c)

for any reason, any such payment may, with the consent of the Issuer (which consent may be granted or withheld at the Issuer's absolute discretion), be effected as soon as possible after delivery of the Election Notice or, as the case may be, prior to transfer of the relevant Shares being effected by CDP, but without prejudice to the rights of the Issuer or of any other person in respect of the actions or omissions of the Warrantholder in question. In no event will any payment be accepted after 12:00 noon (Singapore time) on the Election Notice Date.

- (f) *Earmarking of Warrants.* Upon receipt of an Election Notice, the Warrant Agent shall verify that the person exercising the Warrants specified therein is the holder thereof according to the records maintained by CDP and will earmark that number of Warrants exercised in the "Free" balance of the relevant Warrantholder's securities account with CDP specified in the Election Notice.
- (g) *Delivery of Shares.* Subject to delivery of an Election Notice in accordance with Condition 4(c) and on compliance with 4(d), and subject as provided below in the case of a Settlement Disruption Event the Issuer will no later than the Physical Settlement Date deliver, or procure the delivery of, the Physical Settlement Shares to the Warrantholder. The delivery of the Shares comprising the Physical Settlement Shares shall be evidenced by a transfer in the records of CDP of such Shares to the Warrantholder's securities account with CDP as specified in the relevant Election Notice. Notwithstanding the foregoing, such delivery shall not take place until the Warrantholder shall have accounted to the Warrant Agent for unpaid Exercise Expenses to the extent that they were not or could not be paid on the Election Notice Date.

If a Settlement Disruption Event exists on any Exchange Business Day from and including the Expiry Date to and including the Physical Settlement Date, then the Physical Settlement Date shall be postponed by the number of Exchange Business Days upon which there has been a Settlement Disruption Event unless a Settlement Disruption Event prevents settlement on each of the five Exchange Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been a Physical Settlement Date. In that case: (i) if the Shares can be delivered in any other commercially reasonable manner on the fifth Exchange Business Day immediately following the original Physical Settlement Date then they shall so be delivered; and (ii) if the Shares cannot be delivered in any other commercially reasonable manner, the Physical Settlement Date shall be postponed until settlement can reasonably be effected under this Condition or in any other commercially reasonable manner.

"Settlement Disruption Event" means an event beyond the control of the Issuer as a result of which (A) it is unable to deliver Shares pursuant to an exercise of Warrants as a result of the suspension of, or a material limitation on, trading in the Shares or a general suspension of, or a material limitation on, trading on the Relevant Stock Exchange or (B) otherwise a transfer of Shares on exercise of Warrants cannot be effected through the settlement system of CDP.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to deliver or procure the delivery of the Shares to the exercising Warrantholder, all as set out above, on or before the original Physical Settlement Date, the Issuer shall procure that the exercising Warrantholder is notified (in accordance with Condition 10(a)) of the postponement of the Physical Settlement Date.

- (h) *Validity of Election Notice.* Any determination as to whether an Election Notice is duly completed and in proper form shall be made by the Warrant Agent and shall be

conclusive and binding on the relevant Warrantholder. Any Election Notice so determined to be incomplete or not in proper form or which is not accompanied by the full amount of the payment referred to in Condition 4(d)(iii) above shall be null and void. If such Election Notice is subsequently corrected to the satisfaction of the Warrant Agent it shall be deemed to be a new Election Notice submitted at the time such correction was delivered to the Warrant Agent. The Warrant Agent shall, as soon as practicable, use all reasonable efforts to notify the Warrantholder submitting an Election Notice if it has determined that such Election Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, the Warrant Agent shall not be liable to any person with respect to any action taken or omitted to be taken by it in connection with such notification to a Warrantholder on such determination.

- (i) *Automatic Exercise.* In the event no valid Election Notice is delivered in accordance with Condition 4(c), the exercise of the Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not an Exchange Business Day, the immediately preceding Exchange Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(j) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not an Exchange Business Day, the immediately preceding Exchange Business Day) and Warrantholders shall not be entitled to receive any payment or any Shares from the Issuer in respect of the Warrants.
- (j) *Cash Settlement Amount.* In respect of Warrants which are not the subject of an Election Notice and which are automatically exercised in accordance with Condition 4(i), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than the Cash Settlement Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(j) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (k) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (l) *Relationship of agency or trust.* These Conditions shall not be construed so as to give rise to any relationship of agency or trust between the Issuer or its agent or nominee and any exercising Warrantholder in its capacity as beneficial owner of Shares, or any other such beneficial owner of Shares, and neither the Issuer nor its agent or nominee shall owe any duty of a fiduciary nature to either such Warrantholder or such beneficial owner in respect of such Shares.

5. **Dividends**

- (a) *Payment of the Dividend Amount.* The Issuer will pay the Warrantholders the Dividend Amount five Business Days after the payment date of the relevant Dividend. In order to be entitled to the Dividend Amount, the Warrantholder must be a holder of a Warrant on the Dividend Record Date.
- (b) *Dividend Record Date.* The “**Dividend Record Date**” means, in relation to any Dividend, the date as at the close of business on which a holder of Shares must be registered to participate therein.

6. **Warrant Agent**

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 10.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

7. **Adjustments**

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
 - (i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

- (iii) an extraordinary dividend or special dividend;
 - (iv) a call by the Company in respect of the Shares that are not fully paid;
 - (v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;
 - (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 10. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10; or
 - (iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a

Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantholders in accordance with Condition 10 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. “**Nationalisation**” means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 7 and Condition 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences of such adjustment in any particular jurisdiction).

- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 10.
- (g) *Excess Shares.* If, an exercise of a number of Warrants specified in an Election Notice would (if not for the provisions of this Condition 7(g)) result in the relevant Warrantholder becoming entitled to delivery of a number of Shares which is not equal to a Board Lot of the Shares at such time or an integral multiple thereof, then:
 - (i) the Issuer shall not deliver to the relevant Warrantholder, and the Warrantholder shall cease to be entitled to receive in respect of the relevant exercise of Warrants, that number of Shares (the “**Excess Shares**”) which exceeds the amount of such Board Lot or integral multiple thereof; and
 - (ii) the relevant Warrantholder shall be entitled to receive a cash amount from the Issuer (to be paid at the same time as the delivery of Shares to which that Warrantholder has become entitled, in accordance with these Conditions, is made) equal to the closing price on the Exchange Business Day immediately preceding the Election Notice Date (as derived from the daily publications of the Relevant Stock Exchange or, if no such quotation is available, the most recently available closing price (subject, in any case, to adjustments determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like)) of one Share multiplied by the number of the Excess Shares.

8. Purchases

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

9. Meetings of Warrantholders; Modification

- (a) *Meetings of Warrantholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders. Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheolders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheolders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantheolders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 10.

10. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantheolder or to which a Warrantheolder is entitled or which the Issuer shall have agreed to deliver to a Warrantheolder may be delivered by hand or sent by post addressed to the Warrantheolder at his address appearing in the records maintained by CDP or, in the case of joint Warrantheolders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheolder.
- (b) *Notices.* All notices to Warrantheolders will be validly given if published in English on the web-site of the SGX-ST. Such *notices* shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

11. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

12. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantheolders, to create and issue further warrants so as to form a single series with the Warrants.

13. De-Listing

- (a) *De-Listing.* If at any time, any Shares cease to be, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer (“**De-Listing**”), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Adjustments.* Without prejudice to the generality of Condition 13(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.
- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 10 as soon as practicable after they are determined.

14. **Early Termination for Illegality and Force Majeure, etc.**

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 10.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 10.

15. **Governing Law**

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive

jurisdiction of the courts of Singapore.

16. **Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

17. **Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE TRUST CALL WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
- (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to:

(A) (i) the arithmetic mean of the closing prices of one Unit (as derived from the daily publications of the relevant stock exchange on which the Units related to the Warrants are traded (“**Relevant Stock Exchange**”) (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below) LESS (ii) the Exercise Price for the time being MULTIPLIED by (B) the Conversion Ratio,

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“**Conversion Ratio**” means the ratio (expressed as the number of Units to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“**Market Disruption Event**” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Units requested by the Trust if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Units if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the **“Exercise Expenses”**). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. **Warrant Agent**

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. **Adjustments**

- (a) *Adjustments.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to this paragraph) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (b) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. **Meetings of Warrantholders; Modification**

- (a) *Meetings of Warrantholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the

Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders. Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.
- (b) *Notices.* All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. Dissolution

In the event of dissolution of the Trust all unexercised Warrants will lapse and shall cease to be valid for any purpose on and from the effective date of such dissolution subject to any contrary mandatory requirement of law.

11. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

12. **De-Listing**

- (a) *De-Listing.* If at any time, any Units cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where the Units are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.
- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

13. **Early Termination for Illegality and Force Majeure, etc.**

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

14. **Governing Law**

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. **Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. **Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED PUT WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
 - (i) an instrument by way of deed poll (the “Instrument”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on

compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to:

(A) (i) the Exercise Price for the time being LESS (ii) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded (“**Relevant Stock Exchange**”) (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below) MULTIPLIED by (B) the Conversion Ratio,

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“**Conversion Ratio**” means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“**Market Disruption Event**” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the **“Exercise Expenses”**). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action

taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.

- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantheolders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantheolders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantheolders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
 - (i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Shares that are not fully paid;

- (v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;
 - (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantholders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details

thereof and the action proposed to be taken in relation thereto. Warrantheolders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. “**Nationalisation**” means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that

there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. Purchases

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Warrantholders; Modification

- (a) (a) *Meetings of Warrantholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders.

Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP,

and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.

- (b) *Notices.* All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. **Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

12. **De-Listing**

- (a) *De-Listing.* If at any time, any Shares cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer (“**De-Listing**”), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.

- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination for Illegality and Force Majeure, etc.

- (a) (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

14. Governing Law

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE INDEX PUT WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 10) are issued subject to and with the benefit of:
 - (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (if any) in the manner set out in Condition 4.
- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date (as defined below) falls after the Expiry Date, the Expiry Date shall be the Business Day (as defined below) following the Valuation Date).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by the Closing Level of the Index. If the Strike Level is greater than the Closing Level of the Index and the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Strike Level is less than or equal to the Closing Level of the Index and the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Valuation Date falls after the Expiry Date, the Expiry Date shall be the Business Day following the Valuation Date) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are exercised automatically in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Index Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Index Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (i) that fifth Index Business Day shall be deemed to be the Valuation Date notwithstanding the Market **Disruption** Event; and
- (ii) the Issuer shall **determine** the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that fifth Index Business Day but for the Market Disruption Event.

"Market Disruption Event" means the occurrence or existence, on a Valuation Date, of any of:

- (A) the suspension or limitation of the trading of a material number of securities/commodities from time to time comprising the Index; or
- (B) the suspension or limitation of the trading of securities/commodities (1) on the SGX-ST or the relevant stock exchange on which the Shares related to the Warrants are traded ("**Relevant Stock Exchange**") (as specified in the relevant Supplemental Listing Document) or (2) generally; or
- (C) the suspension or limitation of the trading of (1) options or futures relating to the Index on any options or futures exchanges or (2) options or futures generally on any options and/or futures exchanges on which options or futures relating to the Index are traded; or
- (D) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

For the purposes of this definition, (aa) the limitation on the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any exchange, and (bb) a limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of the movements in price exceeding the levels permitted by any relevant exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the relevant exchange will constitute a Market Disruption Event.

"Valuation Date" means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, the date or dates specified in the relevant Supplemental Listing Document.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore and an "**Index Business Day**" shall be a day on which the Index is published by the Index Sponsor or, as the case may be, the

Successor Index Sponsor and where the Index closes at the normal trading hours.

5. **Warrant Agent**

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantheolders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantheolders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantheolders.

6. **Adjustments to the Index**

- (a) *Successor Sponsor Calculates and Reports Index.* If the Index is (i) not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “**Successor Index Sponsor**”) acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index will be deemed to be the index so calculated and announced by the Successor Index Sponsor or that successor index, as the case may be.
- (b) *Modification and Cessation of Calculation of Index.* If:
 - (i) on or prior to a Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stocks, contracts or commodities and other routine events); or
 - (ii) on a Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and publish the Index,

then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at that Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities/commodities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant exchange).

- (c) *Notice of Determinations.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of determination in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the

open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Warrantholders; Modification

- (a) *Meetings of Warrantholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders.

Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer *may*, without the consent of the Warrantholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.
- (b) *Notices.* All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date

of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

11. Early Termination for Illegality and Force Majeure, etc.

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

12. Governing Law

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

13. Prescription

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

14. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED AVERAGE RETURN PUT WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
 - (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on

compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Conversion Ratio multiplied by:

$$\text{Exercise Price} - \frac{\text{Sum of the Periodic Reference Prices}}{\text{Total number of Periodic Fixing Dates}}$$

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

For the avoidance of doubt if the Cash Settlement Amount is a negative figure it shall be deemed to be zero.

“**Conversion Ratio**” means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“**Periodic Reference Price**” means, in respect of each Periodic Fixing Date, the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded (“**Relevant Stock Exchange**”) (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date prior to the relevant Periodic Fixing Date.

The Issuer will announce each Periodic Reference Price (on the web-site of the SGX-ST) after trading on the relevant Periodic Fixing Date (save for the Expiry Date). The Periodic Reference Price in respect of the Expiry Date will be specified in the Expiry Notice.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the Periodic Reference Price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after a Periodic Fixing Date, then (1) the Business Day immediately preceding the relevant Periodic Fixing Date (the “**Last Valuation Date**”) shall be

deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the Periodic Reference Price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“Market Disruption Event” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Valuation Date” means, with respect to the calculation of Periodic Reference Prices, Cash Settlement Amount and the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding a Periodic Fixing Date.

- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the “Exercise Expenses”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and

Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. **Warrant Agent**

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. **Adjustments**

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.

- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
- (i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) (ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Shares that are not fully paid;
 - (v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;
 - (ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its

reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or

- (iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantholders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. “**Nationalisation**” means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“Tender Offer” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantheolders generally (without considering the circumstances of any individual Warrantheolder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantheolders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. **Meetings of Warrantheolders; Modification**

- (a) *Meetings of Warrantheolders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantheolders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantheolders. Such a meeting may be convened by the Issuer or by Warrantheolders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheolders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheolders shall be binding on all the Warrantheolders, whether or not they are present at the meeting.

Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantheholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantheholder or to which a Warrantheholder is entitled or which the Issuer shall have agreed to deliver to a Warrantheholder may be delivered by hand or sent by post addressed to the Warrantheholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantheholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheholder.
- (b) *Notices.* All notices to Warrantheholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantheholders, to create and issue further warrants so as to form a single series with the Warrants.

12. De-Listing

- (a) *De-Listing.* If at any time, any Shares cease to be listed, traded or publicly quoted on

the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).

- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.
- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

13. **Early Termination for Illegality and Force Majeure, etc.**

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

14. **Governing Law**

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. **Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. **Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

The relevant Conditions will be supplemented by the supplemental provisions contained in the relevant Supplemental Listing Document. The applicable Supplemental Listing Document in relation to the issue of any series of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions, replace or modify the relevant Conditions for the purpose of such series of Warrants. Capitalised terms used in the Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Supplemental Listing Document.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE TRUST PUT WARRANTS

1. Form, Status, Transfer and Title

- (a) *Form.* The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:
 - (i) an instrument by way of deed poll (the “**Instrument**”) dated the Closing Date, made by Bank Vontobel AG (the “**Issuer**”); and
 - (ii) a master warrant agent agreement (the “**Warrant Agent Agreement**”) dated 22 July 2014 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

- (b) *Status.* The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.
- (c) *Transfer.* The Warrants are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) *Title.* Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression “**Warrantholder**” shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

- (a) *Warrant Rights.* Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to:

(A) (i) the Exercise Price for the time being LESS (ii) the arithmetic mean of the closing prices of one Unit (as derived from the daily publications of the relevant stock exchange on which the Units related to the Warrants are traded (“**Relevant Stock Exchange**”) (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below) MULTIPLIED by (B) the Conversion Ratio,

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

- (A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the “**Last Valuation Date**”) shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

“**Conversion Ratio**” means the ratio (expressed as the number of Units to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

“**Market Disruption Event**” means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Units requested by the Trust if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Units if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

“Valuation Date” means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

- (b) *Exercise Expenses.* Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the **“Exercise Expenses”**). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. **Exercise of Warrants**

- (a) *Exercise.* Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
- (c) *Settlement.* In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

- (d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a “**Business Day**” shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. **Warrant Agent**

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. **Adjustments**

- (a) *Adjustments.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to this paragraph) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences of such adjustment in any particular jurisdiction).
- (b) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. **Purchases**

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. **Meetings of Warrantholders; Modification**

- (a) *Meetings of Warrantholders.* The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the

Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantheholders. Such a meeting may be convened by the Issuer or by Warrantheholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantheholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantheholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantheholders shall be binding on all the Warrantheholders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Warrantheholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantheholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantheholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Warrantheholder or to which a Warrantheholder is entitled or which the Issuer shall have agreed to deliver to a Warrantheholder may be delivered by hand or sent by post addressed to the Warrantheholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantheholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantheholder.
- (b) *Notices.* All notices to Warrantheholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above.

10. Dissolution

In the event of dissolution of the Trust all unexercised Warrants will lapse and shall cease to be valid for any purpose on and from the effective date of such dissolution subject to any contrary mandatory requirement of law.

11. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

12. **De-Listing**

- (a) *De-Listing.* If at any time, any Units cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Adjustments.* Without prejudice to the generality of Condition 12(a), where the Units are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.
- (c) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

13. **Early Termination for Illegality and Force Majeure, etc.**

- (a) *Illegality and Force Majeure, etc.* If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

- (b) *Termination.* If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

14. **Governing Law**

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. **Prescription**

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. **Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore**

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

TERMS AND CONDITIONS OF THE OTHER WARRANTS

The terms and conditions of any other Warrants issued by the Issuer pursuant to this Base Listing Document will be set out in the relevant Supplemental Listing Document in relation to such series of Warrants issued by the Issuer.

INFORMATION RELATING TO THE VONTOBEL GROUP AND BANK VONTOBEL AG

Background

The Issuer has its headquarters at Gotthardstrasse 43, in CH-8002 Zurich. The Issuer is a corporation under Swiss law. It was founded on 3 January 1984 and is listed in the Commercial Register of the Canton of Zurich (Company no.: CHE-105.840.858)

The Issuer is a wholly-owned subsidiary of Vontobel Holding AG. It is also a fully consolidated company of the Vontobel Group.

The Issuer, as a bank, is subject to the individual institution supervision of; and Vontobel Holding AG, as a group company, is subject to supplementary, consolidated group supervision by, the Swiss Financial Market Supervisory Authority FINMA.

Information on Issuer

Primary areas of activity

Established in Zurich in 1984, the Issuer is a Swiss private bank with international activities. The Issuer employs approximately 1030 people (as at 31 December 2016). The Issuer specialises in asset management for private clients (Private Banking) as well as in investment banking. As at 31 December 2016, the Issuer managed client assets amounting to approximately CHF 50.7 billion. The Issuer is a wholly-owned subsidiary of Vontobel Holding AG. The registered shares of Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel family and the charitable Vontobel Foundation own the majority of shares and voting rights.

Vontobel Group provides global financial services on the basis of Swiss private banking tradition, and concentrates on the following three business units at the corporate level:

1. Private Banking

Vontobel Private Banking advises and supports wealthy clients based on a holistic and customized approach that spans the entire range of financial and wealth management services with a focus on comprehensive solutions. Its offering encompasses a wide variety of services – from portfolio management and active investment advisory to integrated financial advice, inheritance planning and financing solutions. Through the Issuer's integrated business model, private clients also benefit from access to its proven expertise in the areas of Asset Management and Investment Banking. The relationship managers in Private Banking focus on security and the sustained enhancement of value in every aspect of their work. Vontobel Private Banking has a presence in Zurich, Basel, Berne, Geneva, Lucerne, Lugano, Vaduz, Munich, Hamburg and Hong Kong. It is also present in New York and Dallas through its SEC-registered company Vontobel Swiss Wealth Advisors AG.

2. Investment Banking

Vontobel Investment Banking focuses on products and services that complement its wealth management offering – particularly for institutional clients and business partners (B2B4C). Prudent risk management is of critical importance in this context. Vontobel Financial Products is one of the leading issuers of derivatives and structured products in Switzerland and Europe. Since 2012, these products have also been sold from platforms in London and Singapore. In addition to the Brokerage division, the Issuer is active in the field of corporate finance and offers comprehensive services to external asset managers. It is also a global leader in the digitalization of investment solutions. Securities and foreign exchange trading, as well as the securities services supplied by Transaction Banking, complete the broad range of offerings for clients. Investment Banking has operations in Zurich, Geneva, Basel,

Lugano, Cologne, Frankfurt, Dubai, London, New York and Singapore.

3. Asset Management

Vontobel Asset Management specializes in active asset management and is positioned as a multi-boutique provider with the following areas of focus: Quality Growth Equities, Multi Asset Class, Fixed Income, Global Thematic Equities and Alternatives. Each boutique is run as an independent centre of expertise. Vontobel Asset Management has three core competencies: targeted asset allocation, stock selection and multi-manager approaches. Its products are distributed to institutional clients, indirectly through wholesale channels, and also by cooperation partners. The Asset Management business unit has a presence in Zurich, Basel, Berne, Geneva, New York, London, Frankfurt, Luxembourg, Madrid, Milan, Munich, Hong Kong and Sydney.

The Issuer has a longstanding and successful cooperation agreement with Raiffeisen Switzerland under which it provides Raiffeisen clients with a broad range of investment services. Within the scope of the partnership, Vontobel will make its experience in global asset management available to Raiffeisen and will, in particular, support it with its investment process and sales. In addition, Vontobel will continue to be responsible for the development and management of selected asset management products for Raiffeisen. As part of the redefinition of their collaboration, Vontobel acquired the Raiffeisen subsidiary Vescore AG. The acquisition of Vescore AG was already completed in mid-September 2016.

In 2015, the Issuer's assets and liabilities of its Asset Management business were transferred to Vontobel Asset Management AG, an independent legal entity and 100% subsidiary of Vontobel Holding AG. This reorganization was intended to create the basis for further growth in the global asset management market.

4. Other Activities

The Issuer also engages in the following services:

- a) deposit-taking in all forms customary in the banking business, including savings deposits;
- b) granting credit facilities of every description, with or without collateral;
- c) providing surety bonds and guarantees;
- d) purchasing and selling, for its own account or the account of third-parties, securities, currencies, foreign payment instruments, as well as precious metals;
- e) underwriting and the placement of securities of domestic and foreign issuers;
- f) investment advice, obtaining asset administrations and liquidations, estate administration and estate sales;
- g) custody and management of securities and valuables;
- h) issuing of cheques and letters of credit;
- i) participating in the formation and management of investment funds;
- j) execution of fiduciary transactions;
- k) commercial transactions provided as a service; and
- l) advisory activities, particularly in the fields of tax, inheritance and corporate law.

The financial year of the Issuer follows the calendar year.

Position within the Vontobel Group

The Issuer is a wholly-owned subsidiary of Vontobel Holding AG and constitutes, both in terms of earnings and balance-sheet figures, capital as well as number of employees, by far the most important fully consolidated group company within the Vontobel Group.

Capital

The share capital of the Issuer as at 31 December 2016 amounted to CHF 149 million. It is divided into 149,000 fully paid registered shares with a par value of CHF 1,000 each. The Board of Directors did not seek to create authorised capital during the 2007 to 2016 financial years, inclusive. Nor is there any contingent share capital.

Management bodies of the company

The management bodies of the Issuer are the Board of Directors, the Executive Board and the auditors pursuant to the Code of Obligations.

The members of the Board of Directors and the Executive Board of the Issuer are as follows (as at 31 December 2016):

Board of Directors	Name	Position
	Herbert J. Scheidt	<i>Chairman</i>
	Dr Frank Schnewlin	<i>Deputy Chairman</i>
	Bruno Basler	<i>Member</i>
	Dr Maja Baumann	<i>Member (since 20 April 2016)</i>
	Dr Elisabeth Bourqui	<i>Member</i>
	David Cole	<i>Member (since 20 April 2016)</i>
	Nicolas Oltramare	<i>Member</i>
	Clara C. Streit	<i>Member</i>
	Bjorn Wettergren	<i>Member (since 20 April 2016)</i>

The majority of the members of the Board of Directors of the Issuer meet the independence criteria prescribed in the FINMA Circular 08/24 "Supervision and Internal Control at Banks", mn 20 – 24. They are: Herbert J. Scheidt, Dr Frank Schnewlin, Bruno Basler, Dr Elisabeth Bourqui, David Cole, Nicolas Oltramare and Clara C. Streit. Dr Maja Baumann and Bjorn Wettergren are members of the Vontobel and de la Cour families. They serve on some governing bodies of entities representing the interests of majority shareholders.

Executive Board	Name	Position
	Dr Zeno Staub	<i>CEO</i>
	Dr Martin Sieg Castagnola	<i>CFO</i>

	Felix Lenhard	<i>Member</i>
	Georg Schubiger	<i>Member</i>
	Axel Schwarzer	<i>Member</i>
	Roger Studer	<i>Member</i>

Control authority (Kontrollstelle)

The control authority and external auditor in accordance with banking legislation is Ernst & Young AG, with its registered address at Belpstrasse 23, 3001 Berne, Switzerland.

Dependency on patents, licences or agreements, if these factors are of material importance

The Issuer is not dependent on patents or licences. Under service agreements, the Issuer can also access the resources of the Vontobel Group if necessary.

Financial Information

A reproduction of the Audited Financial Statements of the Issuer for the Financial Year Ended 31 December 2016 is set out in the Appendix to this document. Copies of the Issuer's Annual Report 2016 can be obtained at the specified office of Vontobel Financial Products (Asia Pacific) Pte. Ltd., presently at 8 Marina View, Asia Square Tower 1, Level 07-04, Singapore 018960 and can also be furnished on request to investors by electronic means. Investors who wish to request for the annual report to be sent to them by electronic mail can contact the Issuer at warrants@vontobel.com.

Risk Management and Risk Control of the Vontobel Group

Risk policy

A conscious and prudent approach to risk is a prerequisite for the sustained, long-term success of the Vontobel Group as an internationally oriented Swiss banking group specializing in wealth and asset management and investment banking. The assumption of risk is an inherent part of the activities of the three divisions Private Banking, Asset Management and Investment Banking. The Group-wide risk culture, which is firmly established at every level of the company and is reviewed on an ongoing basis, ensures that risks are recognized and that appropriate control and mitigation mechanisms are implemented and refined.

The Vontobel Group's risk policy defines the relevant risk categories and the corresponding risk profiles, as well as the powers of authorization, organizational structure, methods and processes relating to the management and control of risks. The appropriateness of the risk policy is reviewed at least once annually by the Board of Directors. The Board of Directors evaluates and monitors the Group's Internal Control System using a systematically developed risk analysis model discussed with the Executive Board. The Risk Management and Risk Control units are responsible for managing and controlling the risks with the utmost care. The Vontobel Group is managed strictly according to functional criteria. This is also the case for the Issuer, which is 100% owned by Vontobel Holding AG. Consequently, the risk management and risk controls of the Issuer form part of the Group-wide processes and methods. They are explained in detail in the Vontobel Group's Annual Report (pages 131 to 145), part of which is excerpted as follows:

The most important principles regarding risk management and control are:

- Clearly delegated responsibilities and authority
- Alignment of risk profile and risk capacity
- Independent control functions and adequate human and technical resources
- Adequate internal control systems
- Transparency regarding the risks taken

Clear responsibilities and powers of authorization

Organizational aspects and powers of authorization relating to the management and control of all risks have been defined as follows:

- The Board of Directors has the ultimate responsibility for risk issues.
- The Executive Board is responsible for the operational implementation of the risk policy and for the management and control of all risks.
- The heads of the divisions are responsible for managing risks in accordance with the relevant qualitative and quantitative guidelines.
- The Risk Control unit is responsible for risk control.

Alignment of risk profile and risk capacity

Comprehensive, combined Group-wide stress tests are conducted on a regular basis. In addition to market and credit risks (i.e. position risks), these tests assess operational risks as well as risks relating to income and costs. The results of the stress tests are compared with the Vontobel Group's risk capacity to ensure that its risk profile does not exceed the available risk capacity and that any adjustments are made promptly.

Independent control functions as well as adequate human and technical resources

The Risk Control unit reports directly to the Head of the Finance & Risk division, who works independently from the business divisions and is a member of the Executive Board.

Risk Control is organized into various teams, which are responsible for the subsequent independent monitoring of market risks, credit and counterparty risks and operational risks in general, as well as the risks that result when client assets are not invested in accordance with internal or external regulations (investment control) in particular.

In terms of operational risks in particular, an important role is also played by the Legal, Compliance & Tax unit, which reports to the Head of the Operations division who also works independently from the divisions and is a member of the Executive Board.

The Risk Control unit is primarily responsible for identifying risks related to ongoing business activities, changes in the environment (markets or regulation) or the launch of new activities (new products and services or new markets). Secondly, it records the identified risks using suitable methods and quantifies them using measuring systems as far as possible. These risks are then consolidated, analyzed and monitored. The Vontobel Group employs conventional methods and procedures to achieve this (see the following sections on the individual risk categories). Market and credit risks are monitored on a daily basis and compared with the limits that have been set. If any limits are exceeded, this is reported immediately and the position is monitored closely until the additional exposure is reduced. The Risk Control unit's third responsibility is to transparently present the risks that have been assumed.

Adequacy of internal control systems

The management and control of all risks is essentially performed using a holistic approach referred to as the Internal Control System (ICS). In accordance with the FINMA Circular 08/24 "Supervision and Internal Control at Banks", as well as the provisions governing control processes during the production of financial statements according to the Swiss Code of Obligations, existing control processes are

regularly reviewed and further optimized. As well as ensuring compliance with legal and regulatory requirements, the focus is on ensuring the effectiveness, efficiency and reliability of business processes as well as of financial information and risk data.

Transparency regarding the risks taken

The Vontobel Group's risk policy distinguishes between strategic, market, liquidity, credit, operational and reputational risks. The latter are considered to be of particular and overriding importance. The Board of Directors, Executive Board and employees know that the good reputation of the Vontobel Group and the trust which is placed in it are based on their ability to strike a balance between profit orientation, risk tolerance and compliance with mandatory rules of conduct each day.

The transparent presentation of the risk profile in consolidated form and of the individual risks that have been assumed in detailed form is a core function of the Risk Control team (see above). The front office areas that are responsible for risk management are informed about market and credit risks on a daily basis mainly via suitable reports. However, reports on operational risks are provided at appropriate intervals rather than on a daily basis.

The Executive Board and the Board of Directors are informed in full about any changes in individual risk factors and the Group's risk profile via consolidated periodic risk reports.

TAXATION

The comments below are of a general nature and are only a summary of the law and practice currently applicable in Singapore as at the date of this document and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws, or guidelines, occurring after such date, which changes could be made on a retrospective basis. The comments relate to the position of persons who are the absolute beneficial owners of the Warrants and may not apply equally to all persons. Neither these statements nor any other statements in this document are to be regarded as advice on the tax position of any holder of the Warrants or of any person acquiring, selling or otherwise dealing with the Warrants or on any tax implications arising from the acquisition, sale or other dealings in respect of the Warrants. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Warrants and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective Warrantholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Warrants, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. In particular, this general summary does not consider any specific facts or circumstances that may apply to any particular purchaser. It is emphasised that neither the Issuer nor any other persons involved in the preparation of this document accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Warrants.

GENERAL

Purchasers and sellers of the Warrants may be required to pay stamp duties, taxes or other charges in accordance with the laws and practice of the country of purchase or sale in addition to the issue price of each Warrant.

TAXATION IN SINGAPORE

The comments below are of a general nature based on the Issuer's understanding of current Singapore law and practice. They summarise certain aspects of Singapore taxation only which may be applicable to the Warrants but do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold, transfer or redeem the Warrants.

General

Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore. All foreign-sourced income received (except for income received through a partnership in Singapore) in Singapore on or after 1 January 2004 by Singapore tax resident individuals is exempt from income tax.

Non-resident individuals, subject to certain exceptions, are subject to income tax on income accrued in or derived from Singapore at the rate of 22%.

An individual is tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

The rate of tax for Singapore resident individuals is tiered, subject to a maximum rate of 22 per cent.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore and, subject to certain exceptions and exemptions, on foreign-sourced income received or deemed to be received in Singapore from outside Singapore.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore (“**IRAS**”) with respect to the above exceptions and exemptions.

Non-resident corporate taxpayers are subject to income tax on income accrued in or derived from Singapore, and on foreign-sourced income received in Singapore, subject to certain exceptions.

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Currently, the corporate tax rate in Singapore is 17 per cent.

Dividend Equivalent Amounts

The tax treatment of dividend equivalent amounts (if any) derived by Warrantholders is not completely clear, and Warrantholders should therefore consult their own tax advisers as to the tax treatment of such amounts.

Capital Gains

Singapore imposes a tax on income but does not impose tax on gains which are considered non-income (i.e., gains which are considered to be capital in nature). The question of whether a gain is income or capital ultimately remains a matter of fact based on the Warrantholder's personal circumstances. Accordingly, Warrantholders should consult their own tax advisers as to the tax treatment of gains arising from the Warrants.

Income Tax Implications Arising from the Adoption of Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement (“FRS 39”)

The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement” (the “**FRS 39 Circular**”). The Income Tax Act, Chapter 134 of Singapore has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes. Singapore registered companies with annual periods beginning on or after 1 January 2005 are generally required to comply with FRS 39 for accounting purposes. Purchasers and Warrantholders who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding, disposal, exercise, non-exercise or redemption of the Warrants.

Goods and Services Tax

Under the Singapore Goods and Services Tax Act, Chapter 117A of Singapore (“**GST Act**”), the issue, allotment or transfer of ownership of an equity security (i.e., any interest in or right to a share in the capital of a body corporate or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder) and the renewal or variation of an equity security are exempt supplies not subject to Goods and Services Tax (“**GST**”) under the Fourth Schedule to the GST Act. The GST Act does not, however, contain any specific provision relating to the GST treatment of all kinds of warrants. The Issuer is nevertheless of the view that the issue, allotment, transfer of ownership, renewal or variation of such Warrants should in practice not be subject to GST. Warrantholders should consult their own tax advisers if they are in any doubt of the treatment that would be applicable.

Stamp Duty

Singapore stamp duty is not chargeable upon the transfer of any Warrant through the book-entry settlement system of The Central Depository (Pte) Limited.

The above does not purport to be a comprehensive description of all of the tax considerations that may be relevant to the ownership and disposal of the Warrants and the underlying shares, securities or index, and does not consider any specific facts or circumstances that may apply to a particular investor. Investors are therefore urged to consult their tax advisers regarding income and other tax consequences of owning and disposing of the Warrants and the underlying shares, securities or index under Singapore law and under the laws of any other country to which they may be subject.

SALES RESTRICTIONS

General

No action has been or will be taken by the Issuer that would permit a public offering of the Warrants or possession or distribution of any offering material in relation to the Warrants in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Warrants, or distribution of any offering material relating to the Warrants may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

European Economic Area

In relation to each Member State of the European Economic Area (including the United Kingdom) which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) no offer of Warrants to the public in that Relevant Member State may be made prior to the publication of a prospectus in relation to the Warrants which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of Warrants to the public in that Relevant Member State may be made at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining our prior consent for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

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

In addition, all applicable provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) must be complied with in respect of anything done in relation to any Warrants in, from or otherwise involving the United Kingdom. An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may only be communicated or caused to be communicated in connection with the issue or sale of any Warrants in circumstances in which Section 21(1) of the FSMA does not or where applicable would not, if the Issuer was not an authorised person, apply to the Issuer.

United States of America

The Warrants have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Warrants, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. As used herein, “**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and “**U.S. person**” means any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, any estate or trust the income of which is subject to United States income taxation regardless of its source, and any other “**U.S. person**” as such term is defined in Regulation S under the Securities Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Warrants may not be circulated or distributed, nor may Warrants be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each distributor, purchaser or subscriber of the Warrants has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Warrants, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

GENERAL INFORMATION

1. Settlement of trades done on a normal “ready basis” on the SGX-ST generally takes place on the third Business Day following the transaction. Dealing in the Warrants will take place in Board Lots. For further details on transfer of the Warrants and their exercise, please refer to the Conditions of the Warrants.
2. Vontobel Financial Products (Asia Pacific) Pte. Ltd. has been authorised to accept, on behalf of the Issuer, service of process and any other notices required to be served on the Issuer. Any notices required to be served on the Issuer should be sent to 8 Marina View, Asia Square Tower 1, Level 07-04, Singapore 018960, for the attention of Mr Franky Choi.
3. Under the terms and conditions of the Warrants, Warrantholders are required to pay all the charges arising on the delivery of the Shares upon exercise of the Warrants. Please refer to the Conditions of the Warrants.
4.
 - (i) Vontobel Holding AG announced on 10 December 2013 that the Issuer had decided to categorize itself as one of the financial institutions which have not committed any offenses under applicable US tax law. Consequently, the Issuer proactively engaged in discussions with the US Department of Justice prior to the announcement of the US Program. The discussions with the US Department of Justice were concluded without Vontobel having to pay a financial penalty. A non-prosecution agreement or a non-target letter were not discussed.
 - (ii) In 2014, the German tax authorities launched an investigation into the Issuer and a large number of other Swiss financial institutions. The Issuer is currently holding talks with the German authorities to obtain transparency and legal certainty for the bank, its employees and its clients. The Issuer recorded a provision in the second half of the year relating to remaining litigation risks in Germany that resulted in a charge of CHF 13.4 million.
 - (iii) In connection with the fraud committed by Bernard Madoff, the liquidators of investment vehicles that invested directly or indirectly in Madoff funds have filed lawsuits with various courts against more than 100 banks and custodians. The litigation is targeted at investors who redeemed their investments in these vehicles between 2004 and 2008. The liquidators are demanding that the investors repay the sums involved because they consider them to have been obtained unjustly as a result of the redemptions. Since the liquidators often only know the names of the investors’ custodian banks, they have filed the lawsuits against them. Several legal entities of the Vontobel Group are or may be affected by the litigation in their capacity as a bank or custodian. The claims filed against the Vontobel Group concern the redemption of investments worth around USD 43.1 million. However, based on the information currently available to it, the Vontobel Group believes the probability of a lawsuit resulting in an outflow of funds is low.
5. To the best of the Issuer’s knowledge, there has been no material adverse change in the context of the issue of the Warrants, in the financial position of the Issuer or the Group taken as a whole since 31 December 2016.
6. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of Vontobel Financial Products (Asia Pacific) Pte. Ltd. at 8 Marina View, Asia Square Tower 1, Level 07-04, Singapore 018960, until the expiry of the Warrants (as defined in the applicable Supplemental

Listing Document):

- (a) the annual reports for the financial years ended 31 December 2015 and 31 December 2016 of the Issuer;
- (b) this document; and
- (c) the bye-laws of the Issuer.

APPENDIX

REPRODUCTION OF THE AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Annual Report 2016

Bank Vontobel AG, Zurich

VONTOBEL

This report also appears in German.
The German version is prevailing.

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Balance sheet

Assets					
	Appendix	31-12-16 CHF 1'000	31-12-15 CHF 1'000	Change to 31-12-15	
				CHF 1'000	in %
Liquid assets		2,944,215	2,428,979	515,237	21.2
Amounts due from banks		1,358,212	913,433	444,780	48.7
Amounts due from securities financing transactions	1	823,059	1,013,516	(190,457)	(18.8)
Amounts due from customers	2	2,903,050	2,634,858	268,192	10.2
Mortgage loans	2	56,586	39,367	17,219	43.7
Trading portfolio assets	3	2,351,781	2,322,692	29,089	1.3
Positive replacement values of derivative financial instruments	5	398,941	593,310	(194,369)	(32.8)
Financial investments	6	2,043,271	1,828,568	214,703	11.7
Accrued income and prepaid expenses		89,934	63,245	26,689	42.2
Participations		8,489	830	7,660	923.4
Tangible fixed assets		145,377	159,249	(13,872)	(8.7)
Other assets	7	285,180	129,638	155,542	120.0
Total assets		13,408,096	12,127,684	1,280,412	10.6
Liabilities					
Amounts due to banks		1,227,334	530,956	696,378	131.2
Liabilities from securities financing transactions	1		76,117	(76,117)	(100.0)
Amounts due in respect of customer deposits		9,638,994	8,941,172	697,822	7.8
Trading portfolio liabilities	4	99,657	100,251	(594)	(0.6)
Negative replacement value of derivative financial instruments	5	587,872	697,066	(109,195)	(15.7)
Liabilities from other financial instruments at fair value	4, 12	720,216	604,902	115,314	19.1
Accrued expenses and deferred income		148,956	135,408	13,548	10.0
Other liabilities	8	217,162	213,167	3,996	1.9
Provisions	13	133,704	149,811	(16,108)	(10.8)
Bank's capital	14	149,000	149,000		
Statutory capital reserve		98,768	98,768		
of which tax-exempt capital contribution reserve		98,768	98,768		
Statutory retained earnings reserve	18	213,206	213,206		
Voluntary retained earnings reserve		57,600	57,600		
Profit carried forward		97,679	101,762	(4,082)	(4.0)
Profit (result of the period)		17,948	58,498	(40,550)	(69.3)
Total liabilities		13,408,096	12,127,684	1,280,412	10.6
Off-balance sheet operations					
Contingent liabilities	2	254,470	259,701	(5,231)	(2.0)
Irrevocable commitments	2	30,932	15,858	15,074	95.1

Income statement

		31-12-16	31-12-15	Change to 31-12-15	
	Appendix	CHF 1'000	CHF 1'000	CHF 1'000	in %
Result from interest operations					
Interest and discount income	23	32,396	24,839	7,557	30.4
Interest and dividend income from trading portfolio		41,374	30,917	10,456	33.8
Interest and dividend income from financial investments		26,956	26,663	293	1.1
Interest expense	23	2,793	1,024	1,769	172.8
Gross result from interest operations		103,519	83,443	20,076	24.1
Changes in value adjustments for default risks and losses and losses from interest operations		(2,153)	(1,664)	(488)	29.4
Subtotal net result from interest operations		101,366	81,779	19,587	24.0
Result from commission business and services					
Commission income from securities trading and investment activities		300,281	313,696	(13,415)	(4.3)
Commission income from lending activities		1,006	424	582	137.5
Commission income from other services		63,906	40,238	23,668	58.8
Commission expense		(84,051)	(83,033)	(1,018)	1.2
Subtotal result from commission business and services		281,142	271,324	9,818	3.6
Result from trading activities and the fair value option	22	77,901	115,031	(37,130)	(32.3)
Other result from ordinary activities					
Result from the disposal of financial investments		5,029	11,003	(5,975)	(54.3)
Income from participations		3,192	9,441	(6,249)	(66.2)
Other ordinary income		1,267	1,305	(38)	(2.9)
Other ordinary expenses		(999)	(8,813)	7,814	(88.7)
Subtotal other income from ordinary activities		8,489	12,937	(4,448)	(34.4)
Operating expenses					
Personnel expenses	24	(301,995)	(269,932)	(32,063)	11.9
General and administrative expenses	25	(104,993)	(97,007)	(7,985)	8.2
Subtotal operating expenses		(406,988)	(366,939)	(40,048)	10.9
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets		(52,284)	(52,657)	373	(0.7)
Changes to provisions and other value adjustments, and losses	26	(21,897)	(2,061)	(19,836)	962.6
Operating result		(12,270)	59,414	(71,684)	(120.7)
Extraordinary income	26	31,413	17	31,396	
Extraordinary expenses	26		(0)	0	(100.0)
Taxes	27	(1,195)	(933)	(262)	28.1
Profit		17,948	58,498	(40,550)	(69.3)
Appropriation of profit					
Profit		17,948	58,498	(40,550)	(69.3)
Profit carried forward		97,679	101,762	(4,082)	(4.0)
Distributable profit		115,627	160,259	(44,632)	(27.8)
Appropriation of profit					
Distribution from distributable profit		(20,115)	(62,580)	42,465	(67.9)
New amount carried forward		95,512	97,679	(2,167)	(2.2)

Statement of equity

	Bank's capital	Statutory capital reserves	Statutory retained earnings reserves	Voluntary retained earnings reserves and profit carried forward	Result of the period	Total
Equity as of 01-01-16	149.0	98.8	213.2	159.4	58.5	678.8
Appropriation of profit 2015						
Dividend					(62.6)	(62.6)
Net change in profit carried forward				(4.1)	4.1	
Profit of the year					17.9	17.9
Equity as of 31-12-16	149.0	98.8	213.2	155.3	17.9	634.2

Appendix

1. Name, legal form and domicile

1.1 The Bank

Bank Vontobel AG is a public limited company under Swiss law. Services are provided at the bank's head office in Zurich and at its branches in Basel, Berne, Geneva, Lugano and Lucerne. It is a 100% subsidiary of Vontobel Holding AG, Zurich.

2. Accounting and valuation principles

2.1 Type of financial statements and presentation

The reliable assessment statutory single-entity financial statements of Bank Vontobel AG were prepared in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting rules for banks (FINMA Circular 2015/1) and the Swiss Code of Obligations. The accounting year end is 31 December. Since Vontobel prepares consolidated financial statements in accordance with IFRS, Bank Vontobel AG makes use of disclosure exemptions in the single-entity financial statements.

The figures contained in the tables have been rounded. The total may therefore differ from the sum of the individual figures. An empty space means that the corresponding line item does not have any value. 0.0 means that the corresponding line item contains a value that amounts to 0.0 when rounded.

2.2 Recognition of transactions

Purchases and sales of financial assets are recorded on the trade date in the balance sheet.

2.3 Foreign currency translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rates. Profit and losses arising from exchange differences in foreign currency positions are recognized in trading income.

Exchange rates in CHF		
	Balance sheet rates as of 31-12-16	Balance sheet rates as of 31-12-15
CHF		
USD	1.01635	1.00100
JPY	0.87139	0.83212
EUR	1.07200	1.08739
GBP	1.25585	1.47537

2.4 Valuation and recognition of individual positions

2.4.1 Liquid assets, receivables due from banks and clients, mortgages as well as borrowed funds

These are carried in the balance sheet at their nominal value. Specific valuation adjustments are made for identifiable risks of loan losses.

2.4.2 Determining fair value of financial instruments

If a financial instrument is traded in an active market, its fair value is based on the listed market prices or the prices quoted by traders. Otherwise, the fair value is determined on the basis of valuation models or other generally accepted valuation methods. The appropriateness of the valuation of financial instruments that are not traded in an active market is ensured through the application of clearly defined methods and processes as well as independent controls. The control processes comprise the analysis and approval of new instruments, the regular analysis of risks as well as gains and losses, the verification of prices and the examination of the models on which the estimates of the fair value of financial instruments are based. These controls are conducted by units that possess the relevant specialist knowledge and operate independently from the trading and investment functions.

2.4.3 Trading

Fair value is used for the valuation of trading portfolio assets. Realized and unrealized gains and losses are recognized in "Trading income and the fair value option" and interest and dividend income are recognized in "Net interest income".

2.4.4 Trading portfolio liabilities

Short positions are recognized at fair value in this balance sheet item. Realized and unrealized gains and losses are recognized in "Trading income and the fair value option" and interest and dividend expense are recognized in "Net interest income".

2.4.5 Liabilities from other financial instruments at fair value

Products issued by the bank are recognized at fair value in this balance sheet item. Realized and unrealized gains and losses as well as any accrued or deferred interest are recognized in "Trading income and the fair value option". In the case of products issued by the bank with an interest component, any impact of a change of own creditworthiness on fair value is neutralized and does not influence the income statement.

2.4.6 Derivative financial instruments

Derivative instruments are stated at fair value and shown in the balance sheet as positive and negative replacement values. All income components from trading are recognized in "Trading income and the fair value option". Contract volumes are disclosed in note 5. Information on derivatives used in hedge accounting is provided in the next section.

2.4.7 Hedge Accounting

Bank Vontobel AG is exposed to volatility in future interest income (or interest cash flows) on secured loans (lombard loans), the majority of which bears short-term interest and is likely to be reinvested. Bank Vontobel AG hedges part of this interest income using multi-year receiver interest rate swaps. The amount and the timing of future interest income is forecast, taking account of the contractual terms of the secured loans and other relevant factors. Interest rate swaps are recognized at fair value as positive or negative replacement values, whereby changes in the value of the effective portion of interest rate swaps are recognized in the compensation account and changes in the value of the ineffective portion of interest rate swaps are recognized in the item "Trading income and the fair value option".

2.4.8 Financial investments

Securities acquired without the intention of being held until maturity are stated at the lower of amortized cost or market. Interest is accrued in the period in which it is earned using the effective interest method and recognized together with dividend income in the item "Interest and dividend income from financial investments". Foreign exchange income is recognized in "Trading income and the fair value option". The net balance of market-induced value adjustments is recognized in "other ordinary in-

come" or, as the case may be, in "other ordinary expense". When a financial investment is sold, the difference between the carrying value and the sale price is reported as "Income from sale of financial assets".

2.4.9 Participations

Equity securities owned by the bank in enterprises, where the securities are intended to be a permanent investment, are classed as participations. At Bank Vontobel AG, they comprise shares in companies of an infrastructural nature. The participations are recognized at acquisition costs less economically necessary value adjustments. They are tested for impairment at each balance sheet date. Dividends received are reported in "Income from participations".

2.4.10 Securities lending and borrowing transactions

Own securities that have been lent continue to be reported as a trading position or financial investment as long as control over the securities has not been surrendered. Borrowed securities are not carried in the balance sheet as long as the control over the securities remains with the lender. The re-sale of securities received is shown at market value in the item "Trading portfolio liabilities".

In securities borrowing agreements, cash collateral provided is recognized in the balance sheet as "Amounts due from securities financing transactions". In securities lending agreements, cash collateral received is recognized in the balance sheet as "Liabilities from securities financing transactions". Fees and interest from securities lending and borrowing operations are recognized as interest income and interest expense, respectively.

2.4.11 Repurchase and reverse-repurchase agreements

Repurchase and reverse-repurchase agreements are treated as secured financing agreements. Securities received within the scope of reverse-repurchase agreements and securities delivered within the scope of repurchase agreements are recognized on or removed from the balance sheet only if control over the contractual rights that comprise these securities has been transferred.

In reverse-repurchase agreements, cash collateral provided is recognized in the balance sheet as "Amounts due from securities financing transactions". In repurchase agreements, the cash collateral received is recognized in

the balance sheet as "Liabilities from securities financing transactions. Interest income from reverse-repurchase agreements and interest expense from repurchase agreements are recognized over the term of the corresponding transactions on an accrual basis.

2.4.12 Tangible fixed assets

Property, plant and equipment is sub-divided into leasehold improvements, other tangible fixed assets (furniture, information technology and telecommunications equipment), tangible assets in finance lease and software (purchased and internally developed, including software in development). The cost of acquisition or construction is capitalized if the Bank is likely to receive an economic benefit derived there from in the future and the costs can be identified as well as reliably projected. Depreciation is computed on a straight-line basis over the useful life period of 3 to 10 years. Property, plant and equipment are tested for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If the carrying value exceeds the recoverable value, an impairment loss will be recognized.

2.4.13 Accruals and deferrals

Items in the income statement unrelated to the accounting period are accrued or deferred. Interest and commissions due from clients and banks that are more than 90 days in arrears are not credited until actually received.

2.4.14 Value adjustments and provisions

Based on the size and structure of the credit portfolio, as well as the Vontobel Group's policy of essentially only granting on a secured basis or to counterparties with very high creditworthiness, only specific allowances are made for credit losses. A loan is considered impaired when it is likely that the amount due according to the contractual terms cannot be entirely collected. If the debtor's total exposure exceeds the estimated realizable disposal value of the collateral and if the assessment of the debtor's creditworthiness does not justify such an unsecured portion, an allowance for credit loss in the corresponding amount is made in the income statement. The reasons for impairment are specific to the relevant counterparties or countries. Interest income on loans that are not overdue is accrued in the period incurred. As a rule, removal from the books occurs at the time when a legal title confirms the conclusion of the liquidation process. Default-related

value adjustments and losses from interest operations are recognized in "Net interest income". Value adjustments are deducted from the corresponding assets. Provisions for other business that are operationally necessary are recognized through the item "Changes to provisions and other value adjustments, and losses". The general risks associated with banking activities are covered by precautionary provisions.

2.4.15 Accrual of earnings

Income from services rendered over a specific period of time is recorded on a pro rata basis for the duration of the service. This includes asset management fees and custody fees. Profit-based income is not recorded until all of the relevant criteria have been met. This type of income may, for example, be generated in the corporate finance business. Interest is accrued in the relevant period. Dividends are recorded when payment is received.

2.4.15 Income taxes

Current income taxes are calculated on the basis of the applicable tax laws and recognized as expense in the period in which the related profits are made. The tax effects of loss carryforwards are not taken into consideration. Current income taxes are calculated on the basis of the applicable tax laws and recognized as expense in the period in which the related profits are made. The tax effects of loss carryforwards are not taken into consideration.

2.4.16 Employee and management stock ownership plans

According to the bonus model of the Vontobel Group, employees of Bank Vontobel AG are offered an annual bonus as well as a performance-related future allocation of shares. Employees have the right and/or the obligation to draw part of their annual bonus in shares of Vontobel Holding AG instead of cash. The fair value of these shares at grant date is charged to personnel expense. Employees who elect to draw part of their annual bonus in shares are entitled to receive a further allocation of shares of Vontobel Holding AG after three years have lapsed depending on the performance of the business. The anticipated liability as of the end of the vesting period (estimated number of shares to be allocated multiplied by the fair value of the Vontobel Holding AG share as of the balance sheet date, less the present value of the anticipated dividends between the balance sheet date and the allocation date) for

these so-called performance shares is accrued on a pro rata temporis basis. The change in this accrual is recorded in the personnel expense for the corresponding period.

2.4.17 Pension funds

If a pension fund has a shortfall according to Swiss GAAP FER 26, Bank Vontobel AG records a liability in the amount of the probable outflow of funds required to make up the shortfall. A pension fund surplus (incl. employer contribution reserves) is not capitalized as a future economic benefit.

2.4.19 Extraordinary expense and income

Expense and income that are both non-recurring and not related to ordinary operating activities are classed as extraordinary.

2.4.20 Contingent liabilities, irrevocable commitments

These are reported off the balance sheet at their nominal value.

2.5 Changes to accounting and valuation principles

Bank Vontobel AG now reports participations in companies of an infrastructural nature in the balance sheet item "Participations" (previously in financial investments). The figures for the previous year were adjusted accordingly. In the balance sheet of 31 December 2015, participations at the legal maximum values (acquisition costs less economically necessary value adjustments) of CHF 0.8 mns were therefore reclassified from "Financial investments" to "Participations" and, in the income statement 2015, dividend income of CHF 9.4 mns was reclassified from "Interest and dividend income from financial investments" to "Other ordinary income" (sub-item: income from participations). These changes have no impact on shareholders' equity or on the financial result for the period.

2.6 Disclosures relating to capital and liquidity

In accordance with FINMA Circular 2016/01 (Capital adequacy disclosure – banks), Bank Vontobel AG benefits from an extended consolidation discount. The minimum disclosure nevertheless required in this context according to Appendix 4 is shown on page 30. Detailed information on capital and liquidity is provided in the consolidated Annual Report of Vontobel, pages 147 to 158.

2.7 Important events after the balance sheet date

No events have occurred since the balance sheet date that affect the relevance of the information provided in the 2016 financial statements and would therefore need to be disclosed.

3. Risk management and risk control

3.1 Risk policy

For Bank Vontobel AG, Zurich – as part of an internationally oriented Swiss banking group specializing in wealth and asset management and investment banking – a conscious and prudent approach to risk is a prerequisite for the achievement of sustained, long-term success. The bank assumes risks as an inherent part of the activities of its two divisions, Private Banking and Investment Banking. The Group-wide risk culture, which is firmly established at every level of the company and is reviewed on an ongoing basis, ensures that risks are recognized and that appropriate control and mitigation mechanisms are implemented and refined in all areas of the organization, including Bank Vontobel.

Vontobel's risk policy defines the relevant risk categories and the corresponding risk profiles, as well as the powers of authorization, organizational structure, methods and processes relating to the management and control of risks. The appropriateness of the risk policy is reviewed at least once annually by the Board of Directors. The Risk Management and Risk Control units are responsible for managing and controlling the risks with the utmost care. Vontobel is managed strictly according to functional criteria. This is also the case at Bank Vontobel AG, Zurich, which is 100% owned by Vontobel Holding AG. Consequently, the risk management and risk controls of Bank Vontobel AG, Zurich, form part of the Group-wide processes and methods. They are explained in detail in the Vontobel Group's Annual Report (pages 131 to 145).

3.2 Strategic risk

Vontobel defines strategic risk as the risk that the strategic objectives it has set, and the operational objectives derived from them, will not be realized in the course of current business operations due to a failure to adequately adapt to changing operating conditions or as a result of decisions that subsequently prove to be wrong. Strategic

risk is regularly reviewed and assessed as part of Vontobel's holistic approach to risk monitoring, with a particular focus being placed on the assessment of the environment and of the company's strategic direction. The Executive Board is informed of the qualitative results of the analysis, which are approved by the Board of Directors.

If necessary, risk mitigation measures are defined and implemented. These measures are also taken into account in strategic and operational planning.

3.3 Market risk

3.3.1 General information

Market risk refers to the risk of losses occurring as a result of changes in market parameters such as interest rates, credit spreads, foreign exchange rates, stock prices or commodities prices and the corresponding volatilities. Market risks are relevant in various areas, both within and outside Investment Banking.

In Investment Banking, the major proportion of risk positions originates from the business with proprietary products such as warrants, certificates and structured products, as well as the hedging of these instruments. The Financial Products unit in Investment Banking is responsible for these positions, as well as for foreign exchange and money market trading, the management of the foreign exchange position and collateral trading (repo transactions and securities lending and borrowing transactions).

Market risks are limited and monitored using a multi-level system of limits. In addition to the Value at Risk limits and stress exposure limits prescribed at a global level and for each trading unit, this system defines a wide range of detailed sensitivity limits and volume limits in order to control and limit risks.

Positions involving market risks are also held outside Investment Banking. These financial investments consist of broadly diversified portfolios and non-consolidated holdings, with the allocation to equities being maintained at a consistently low level. To quantify and limit risk, the same measurement methods – i.e. Value at Risk and stress exposure – are used for these positions at an aggregate level as for the positions held by Investment Banking.

Further information on market risks at overall balance sheet level (interest rate risks and currency risks) can be found in section 3.3 "Market risks related to the balance sheet structure" of the Vontobel Group's Annual Report (page 135).

3.3.2 Market risks related to Investment Banking and other Value at Risk (VaR) securities holdings

In line with the general market standard the management and control of market risks for the positions in Investment Banking as well as for securities holdings outside Investment Banking are based on Value at Risk and stress exposure measurements that are calculated daily. More detailed information on the methods used as well as the resulting exposures at Group level can be found in the Vontobel Group's Annual Report (pages 133 to 135).

3.3.2.1 Stress Exposure

In addition to the VaR limits that are based on a 99% confidence level, stress exposure limits have also been defined. The corresponding stress tests are conducted on a daily basis.

3.3.3 Market risks related to the balance sheet structure

The Treasury division is responsible for managing the balance sheet structure, capital and liquid assets. Interest rate risks and currency risks are monitored and limited as part of the Group's asset and liability management (ALM) activities. Treasury is also responsible for securing refinancing and monitoring liquidity risk on a continuous basis.

3.3.3.1 Interest rate risks

Interest rate risks and currency risks arise in balance sheet management as a result of differing interest commitments and foreign currencies on the asset and liability side of the balance sheet and in off-balance-sheet items. These risks are managed and monitored at an aggregate level (see the Vontobel Group's Annual Report, pages 135 to 138).

3.3.3.2 Currency risks

Like interest rate risks, currency risks resulting from trading and the balance sheet structure are managed and monitored on an aggregate basis at Group level (see the Vontobel Group's Annual Report, page 138). The overall market risks related to currency incongruities are very low.

3.4 Liquidity risk and refinancing

Liquidity risk refers to the risk of being unable to cover short-term funding needs at any time (e.g. due to the impossibility of substituting or renewing deposits, outflows of funds due to drawing on lending commitments or margin calls, etc.). Liquidity risk management ensures that Bank Vontobel and the Vontobel Group always have sufficient liquidity to meet their payment obligations, including in stress situations. Liquidity risk management therefore comprises operational risk measurement and control systems to guarantee their continued ability to pay their obligations at any time. It also determines strategies and requirements for the management of liquidity risk under stress conditions as part of the defined liquidity risk tolerance. They mainly include risk mitigation measures, the holding of a liquidity buffer comprising highly liquid assets, and a contingency plan to manage any liquidity shortfalls.

The diversification of sources of refinancing and access to the repo market ensure that cash and cash equivalents are rapidly available on a secured basis if required. Liquidity is monitored and assured on a daily basis. The continuous monitoring of the volume and quality of available collateral also ensures that adequate refinancing capabilities are always available. In the event of an unexpected tightening of liquidity, it is also possible to access a portfolio of positions that retain their value and can easily be liquidated.

3.5 Credit risk

3.5.1 General information

Credit risk corresponds to the risk of losses if a counterparty fails to honour its contractual obligations. In the case of Bank Vontobel and the Vontobel Group, this comprises:

- Default risks from collateral loans and mortgage-backed loans
- Default risks from bond positions (issuer risk)
- Default risks from money market investments
- Default risks related to securities lending and borrowing, repo transactions, collateral management and derivatives, as well as
- Default risks related to settlement

Bank Vontobel and the Vontobel Group are, in principle, not active in the commercial lending business. Since autumn

2016, mortgages have been offered to Vontobel clients and employees to enable them to finance real estate.

Like the other risk categories, credit risks and counterparty risks are managed and monitored at Group level on the basis of the functional organization. Detailed information on the corresponding processes and methods, as well as the aggregate exposures, can be found in the Vontobel Group's Annual Report (pages 140 to 144).

3.5.2 Lending to private and institutional investment clients

In the case of private and institutional investment clients, Bank Vontobel AG, Zurich, engages primarily in lending against collateral ("lombard lending"), i.e. the granting of loans subject to the provision of securities that serve as easily realizable collateral. As a restriction on lending, limits on blanket credit lines are set for each client. These limits cover all the positions assumed in respect of each client. These exposures (including the risk add-ons determined by the type of exposure) must essentially be covered by the collateral value of the collateral (securities after haircuts).

3.5.2.1 Valuation of collateral

In the case of **loans against collateral**, transferable financial instruments (such as investment funds, bonds and equities) that are liquid and are actively traded are accepted by the bank. It also accepts transferable structured products for which regular price information and a market maker are available. The bank applies haircuts to market values to cover the market risk associated with securities and to determine their collateral value.

The collateral value of positions and portfolios is generally determined in accordance with the "comprehensive approach" prescribed in the capital adequacy requirements of the Basel Committee on Banking Supervision (Basel III). The quality of the collateral (volatility, rating, liquidity and tradability) and the diversification of the portfolio and currency risks are considered in the calculation.

The bank's contingency planning concept comprises an assessment of financing sources in a difficult market environment, takes account of market status indicators and coverage ratios, and describes contingency measures. The bank prepares for a crisis scenario by diversifying its sources of financing. All significant anticipated outflows of

funds and the availability of high-quality collateral that could be used to raise additional liquidity are regularly reviewed.

In the real estate mortgage business, a current external valuation of the collateral is available for every loan that is granted. The valuations depend on the use of the property. The external estimate serves as the basis for the granting of loans by the bank.

3.5.2.2 Methods to identify default risks and to determine the need for value adjustments

Exposures and the value of collateral for **securities-backed loans** are monitored on a daily basis. In cases where the exposures are covered by market values but not by collateral values (i.e. after taking account of haircuts), a default process is initiated with the aim of restoring cover through the reduction of the exposures, portfolio switches or the provision of additional collateral. If the shortfall in cover increases or if exceptional market conditions occur, the collateral is liquidated to offset the loan.

In the case of **mortgage-backed loans**, the bank has access to external estimates. Using these valuations, the bank periodically updates the loan-to-value ratio. In addition, an analysis is conducted in the case of interest payments and capital repayments that are in arrears. This enables the bank to identify mortgages that pose higher levels of risk. Where necessary, additional collateral is requested or an appropriate value adjustment is recorded based on the shortfall in cover.

Client exposures that are only secured from a market value perspective (but not after the application of collateral haircuts) or exposures that are secured by collateral that is not recognized according to the guidelines of the Basel Committee on Banking Supervision are only assumed in exceptional cases.

Other **unsecured loans** can arise as a result of unsecured account overdrafts. These are identified directly by Private Banking and assessed. If material risks exist, the Credit department performs a detailed assessment and consults with Private Banking to determine whether action needs to be taken. If, during this phase, it is to be assumed that the credit exposure is at risk, a corresponding value adjustment is considered.

The need for a new **value adjustment or provision to be recorded** is determined according to the procedure described above. In addition, known risk positions that were already identified as being at risk are reassessed on each balance sheet date and the value adjustment is amended if necessary. The Risk Committee assesses and approves the aggregate value adjustments recorded in respect of risk positions.

3.5.3 Exposures to professional counterparties and issuer risk

Bank Vontobel and the Vontobel Group have both secured and unsecured exposures to professional counterparties.

Secured exposures result from securities lending and borrowing, repo transactions, the collateral management of margin obligations and margin calls, as well as the collateralization of OTC derivatives that are eligible for netting. The **mitigation of credit risks** using securities as easily realizable collateral is of key importance for these types of transactions. The transactions are generally concluded on the basis of collateralized netting agreements with strict requirements regarding eligible collateral, appropriate contractual collateral values and low contractual thresholds and minimum transfer amounts. The daily calculation as well as the comparison of credit exposures and collateral are a core element of the management and monitoring of credit risks. During this process, conservative add-on factors are applied to the credit exposures and conservative haircuts are applied to the collateral in accordance with the “comprehensive approach” prescribed in the capital adequacy requirements of the Basel Committee on Banking Supervision (Basel III). The different add-ons and haircuts are determined according to the instrument, rating, term to maturity, liquidity and tradability.

Unsecured exposures mainly comprise the **issuer risks in bond portfolios** held in Investment Banking or for the purpose of balance sheet management. They also include exposures relating to money market transactions, accounts, guarantees and contractual independent amounts (threshold values and minimum transfer amounts) that are agreed with counterparties in netting agreements for securities lending and borrowing, repurchase agreements and the collateralization of OTC derivatives.

Settlement risks are reduced through the use of the Continuous Linked Settlement (CLS) system when conducting foreign currency transactions. Vontobel is connected to the CLS system as a third party.

All exposures to professional counterparties are monitored and restricted using a differentiated **system of limits** for the individual counterparty categories, rating segments, countries and regions.

Bank Vontobel and the Vontobel Group base the management and limitation of exposures to professional counterparties on internal assessments by the Credit Management unit as well as on the ratings of external agencies recognized by the FINMA. It uses the ratings of Fitch, Moody's, S&P and Fedafin (only public sector entities). If various ratings exist for a specific position, the relevant rating is assigned according to the rules prescribed by the Basel Committee on Banking Supervision.

3.6 Operational risks

3.6.1 General information

Operational risks represent the risk of losses resulting from the inadequacy or failure of internal processes, people and systems or from external events.

3.6.2 Processes and methods

All business activities entail operational risks, which are prevented, mitigated, transferred or even assumed based on cost/benefit considerations. During this process, potential legal, regulatory and compliance-related risks are taken into account, as are follow-on risks in the form of reputational risks.

The Group-wide process model represents the basis for the management of operational risks. As part of the systematic assessments that are performed annually, the operational risks in all critical processes and process entities are identified and evaluated. In addition, further attention is focused on core security topics such as data protection and business continuity management, which are guaranteed through the use of extra tools.

3.6.2.1 Qualitative assessment

The qualitative assessment of operational risks is carried out using estimates of the loss potential and possible frequency of these risks. Once these inherent risks have been

calculated, existing controls and further risk mitigation measures are taken into account to determine the residual risks. These residual risks are considered in order to determine compliance with pre-defined risk tolerances. If risk tolerances are exceeded, further risk mitigation measures are defined.

3.6.2.2 Quantitative assessment

In addition to qualitative assessments, quantitative methods are also used to measure and monitor operational risks. They include the monitoring of key risk indicators and the development of those indicators for all divisions. The risks measured in this context are also compared with the relevant pre-defined risk tolerances and if these tolerances are exceeded, further risk mitigation measures are defined.

3.6.2.3 Internal Control System

All measures to control operational risks form part of the Internal Control System (ICS). Consequently, the ICS encompasses all control elements that ensure the necessary framework for the achievement of strategic business objectives and the orderly running of operations at all levels of the organization. The ICS is reviewed at least once annually and is adapted or strengthened if necessary.

3.6.3 Legal, regulatory and compliance-related risks

Legal and compliance-related risks are the risk of losses occurring due to non-compliance with or the infringement of applicable laws, internal or external codes of conduct and market practices, as well as contractual obligations. Issues such as these may not only lead to financial losses but can equally result in regulators imposing fines and measures on the organization or can give rise to reputational harm. Regulatory risk is essentially the risk that changes to laws and rules of conduct could impact on Vontobel's activities.

As a market participant in the financial services industry, Vontobel is subject to extensive regulations and requirements defined by government bodies, regulatory authorities and self-regulatory organizations in Switzerland and other countries in which Vontobel operates.

To prevent or mitigate legal, regulatory and compliance-related risks, Vontobel has implemented the relevant structures and processes that are designed to raise

employee awareness of or to provide initial or further training for employees about this topic. In addition, Vontobel has an appropriate system of policies and effective control processes in place to ensure compliance with legal and regulatory framework conditions. The corresponding compliance standards are regularly reviewed by Vontobel and adapted to regulatory and legal developments.

3.6.4 Insurance

Vontobel's insurance policy is aligned with the Group's operational risk management and financial risks.

In the first instance, Vontobel strives to prevent or mitigate risks as far as possible in accordance with the Group's risk policy. In a second step, it determines whether the Vontobel Group can and should bear the risks itself. If this is not the case, the risks are covered by insurance policies. In particular, the Group insures against risks of a catastrophic nature in order to protect its capital base.

The internal Insurance unit analyses and evaluates the need for insurance measures on an ongoing basis.

Various other factors are taken into account when purchasing insurance. They mainly comprise legal requirements (compulsory insurance). However, a whole series of other business considerations lead to a wide range of risks for which insurance cover is acquired.

3.7 Reputational risks

A reputational risk is understood to be the risk of events occurring that could cause sustained harm to Vontobel's image. As such, reputational risks often constitute follow-on risks to the other risk categories described above.

Vontobel's ability to conduct its business depends to a significant extent on its reputation, which it has built over the bank's long history in accordance with its current claim "Performance creates trust". It is therefore of key importance for Vontobel to safeguard its good name and all employees have to assign this matter the highest priority. Consequently, appropriate measures are taken on an ongoing basis to make employees aware of the key importance of Vontobel's reputation.

4. Use of derivative Instruments

4.1 Business policy when using derivative financial instruments

Derivative financial instruments are used for trading and hedging purposes. Trading in derivative financial instruments is carried out exclusively by specially trained traders. Both standardized and OTC instruments are traded on own account and on client account; this mainly involves instruments for interest rates, currencies, equity securities/indices and, to a small extent, commodities and credit derivatives.

As part of its risk management activities, the bank uses derivative financial instruments primarily to hedge interest rate, currency and equity risks. In the context of hedge accounting, risks from future transactions with external counterparties are assumed.

4.2 Use of hedge accounting

4.2.1 Hedged items and hedging transactions

The bank uses hedge accounting for most short-term interest-bearing secured loans (lombard loans) in the banking book. They are hedged using multi-year receiver interest rate swaps.

4.2.2 Objective

Bank Vontobel AG is exposed to volatility in future interest income (or cash flows) on secured loans (lombard loans), the majority of which bear short-term interest and are likely to be reinvested. The hedge with multi-year receiver interest rate swaps is aimed at hedging against the interest rate risks of future interest income, taking account of the amount and timing of future cash flows, as well as the contractual terms of the secured loans and other market factors.

4.2.3 Economic link between the hedged item and the hedging transaction

From the point in time when a financial instrument is classed as a hedging relationship, the bank documents the link between the hedging instrument and the hedged item. Among other things, it documents the risk management objectives and risk management strategy of the hedging transaction and the methods used to measure the effectiveness of the hedging relationship. The economic link between the hedged item and the hedging transac-

tion is continuously measured on a prospective basis as part of the test of its effectiveness by monitoring factors such as an inverse change in value and its correlation.

4.2.4 Measurement of effectiveness

A hedge is considered to be highly effective if the following criteria are essentially met:

- The hedge is determined to be highly effective both upon initial recognition and during the hedging period.
- There is a close economic link between the hedged item and the hedging transaction.
- There is an inverse relationship between changes in the value of the hedged item and of the hedging transaction with regard to the hedged risk.
- The actual results of the hedge are in the 80–125% range.

Hedge accounting was effective in the year under review.

Notes to the balance sheet transactions

1 Breakdown of securities financing transactions (assets and liabilities)

Breakdown of securities financing transactions (assets and liabilities)				
	31-12-16 CHF mns	31-12-15 CHF mns	Change to 31-12-15 CHF mns in %	
Book value of receivables from cash collateral delivered in connection with securities borrowing and reverse repurchase transactions ¹	823.1	1,013.5	(190.5)	(18.8)
Book value of obligations from cash collateral received in connection with securities lending and repurchase transactions ¹		76.1	(76.1)	(100.0)
Book value of the securities lent in connection with securities lending or delivered as collateral in connection with securities borrowing as well as securities in own portfolio transferred in connection with repurchase agreements	114.8	19.4	95.4	490.3
with unrestricted right to resell or pledge	114.8	19.4	95.4	490.3
Fair value of the securities received and serving as collateral in connection with securities lending or securities borrowed in connection with securities borrowing as well as securities received in connection with reverse repurchase agreements with an unrestricted right to resell or repledge	1,332.6	1,356.2	(23.7)	(1.7)
of which, repledged securities	691.0	801.7	(110.7)	(13.8)
of which, resold securities	68.9	102.4	(33.5)	(32.7)

¹ Before netting agreements

2 Presentation of collateral for loans/receivables and off-balance-sheet transactions

Presentation of collateral for loans/receivables and off-balance-sheet transactions				
CHF mns	Secured by mortgage	Other collateral	Unsecured	Total
Loans (before netting with value adjustments)				
Amounts due from customers		2,865.7	53.9	2,919.6
Mortgage loans	56.6	0.0	0.0	56.6
Residential property	56.6	0.0	0.0	56.6
Total loans in current year (before netting with value adjustments)	56.6	2,865.7	53.9	2,976.2
Total loans in previous year (before netting with value adjustments)	39.2	2,591.7	58.4	2,689.4
Total loans in current year (after netting with value adjustments)	56.6	2,849.3	53.7	2,959.6
Total loans in previous year (after netting with value adjustments)	39.2	2,576.6	58.4	2,674.2

Off-balance sheet

Contingent liabilities		144.7	109.7	254.5
Irrevocable commitments			30.9	30.9
Total off-balance-sheet in current year		144.7	140.7	285.4
Total off-balance-sheet in previous year		134.7	140.9	275.6

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
Current year	39.4	14.5	24.9	16.7
Previous year	39.2	15.9	23.3	15.1

3 Breakdown of trading portfolios and other financial instruments at fair value (assets)

Breakdown of trading portfolios and other financial instruments at fair value (assets)				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Trading portfolio assets				
Debt securities, money market securities/transactions	592.7	807.1	(214.5)	(26.6)
of which, listed	400.6	501.4	(100.8)	(20.1)
Equity securities incl. investment funds	1,277.4	1,207.0	70.3	5.8
Precious metals and commodities	481.5	308.3	173.2	56.2
Other trading portfolio assets	0.3	0.2	0.0	11.0
Total assets	2,351.8	2,322.7	29.1	1.3
of which, determined using a valuation model	92.7	228.9	(136.2)	(59.5)
of which, securities eligible for repo transactions in accordance with liquidity requirements	129.5	144.9	(15.4)	(10.6)

4 Breakdown of trading portfolios and other financial instruments at fair value (liabilities)

Breakdown of trading portfolios and other financial instruments at fair value (liabilities)				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Trading portfolio liabilities				
Debt securities, money market securities/transactions	71.6	73.6	(2.0)	(2.7)
of which, listed	71.6	73.6	(2.0)	(2.7)
Equity securities incl. investment funds	28.1	26.6	1.5	5.6
Other financial instruments at fair value (liabilities)				
Structured products	720.2	604.9	115.3	19.1
Total liabilities	819.9	705.2	114.7	16.3
of which, determined using a valuation model	720.2	604.9	115.3	19.1

5 Presentation of derivative financial instruments (assets and liabilities)

Presentation of derivative financial instruments (assets and liabilities)						
CHF mns	Positive RV ¹	Trading instruments Negative RV ¹	Contract volume	Positive RV ¹	Hedging instruments Negative RV ¹	Contract volume
Debt instruments						
Swaps	34.5	57.0	4,276.2		1.0	243.9
Futures	0.1		1.1			
Options (OTC)	4.5	5.6	70.8			
Foreign currency/precious metals						
Forward contracts	7.0	9.9	717.6			
Swaps	55.4	58.4	5,670.0			
Futures			68.0			
Options (OTC)	10.9	30.8	2,003.4			
Options (exchange traded)						
Equities/indices						
Swaps	51.0	51.1	2,101.2			
Futures			230.4			
Options (OTC)	193.1	314.3	6,699.1			
Options (exchange traded)	18.8	17.7	1,414.3			
Credit derivatives						
Credit Default Swaps	23.2	22.9	3,476.3			
Other						
Futures			90.4			
Options (OTC)	0.5	19.0	168.1			
Options (exchange traded)						
Total before netting agreements in the current year	398.9	586.9	26,986.9		1.0	243.9
of which, determined using a valuation model	376.6	569.1	25,097.1		1.0	243.9
Total before netting agreements in the previous year	593.3	696.5	25,392.4		0.6	180.2
of which, determined using a valuation model	566.9	676.8	23,320.3		0.6	180.2
Total after netting agreements in the current year	223.4	294.8				
Total after netting agreements in the previous year	472.7	240.4				

¹ Replacement values

Breakdown by counterparty			
CHF mns	Central clearing houses	Banks and securities dealers	Other customers
Positive replacement values (after netting agreements)	16.2	15.2	192.0

6 Breakdown of financial investments

Breakdown of financial investments				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Debt securities not intended to be held to maturity	1,950.2	1,744.1	206.1	11.8
market value	1,957.5	1,750.4	207.1	11.8
Equity securities incl. investment funds	93.0	84.5	8.6	10.2
market value	104.0	92.1	11.9	13.0
Total financial investments	2,043.3	1,828.6	214.7	11.7
Fair value	2,061.5	1,842.5	219.0	11.9
of which, securities eligible for repo transactions in accordance with liquidity requirements	350.7	318.6	32.1	10.1

Breakdown of counterparties by rating ¹				
CHF mns	AAA to AA–	A+ to A–	BBB+ to BBB–	
Book values of the debt securities	1,521.0	347.8	81.5	

¹ The bank bases the management and limitation of exposures to professional counterparties on internal assessments by the Credit Research unit as well as on the ratings of external agencies recognized by FINMA. It uses the ratings of Fitch, Moody's, S&P and Fedafin (public sector bodies only). If various ratings exist for a specific position, the relevant rating is assigned according to the rules prescribed by the Basel Committee on Banking Supervision.

7 Breakdown of other assets

Breakdown of other assets				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Compensation account	4.0	0.5	3.5	641.3
Open settlements	241.7	102.0	139.8	137.1
Indirect taxes	16.8	10.9	5.8	53.1
Remaining other assets	22.7	16.2	6.5	40.2
Total other assets	285.2	129.6	155.5	120.0

8 Breakdown of other liabilities

Breakdown of other liabilities				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Compensation account	3.0		3.0	
Open settlements	166.1	189.8	(23.6)	(12.5)
Indirect taxes	11.1	14.2	(3.1)	(21.9)
Remaining other liabilities	36.9	9.2	27.7	300.6
Total other liabilities	217.2	213.2	4.0	1.9

9 Pledged or assigned assets to secure own commitments and assets under reservation of ownership, excluding securities financing transactions

Pledged or assigned assets to secure own commitments and assets under reservation of ownership, excluding securities financing transactions				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Book value of pledged and assigned assets	650.8	699.3	(48.6)	(6.9)
Effective commitment	1,262.1	1,400.9	(138.8)	(9.9)

10 Liabilities to own pension schemes

Liabilities to own pension schemes ¹				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	
Amounts due in respect of customer deposits	89.0	42.2	46.9	111.1
Negative replacement values	0.1	0.0	0.1	
Accrued expenses and deferred income	0.1	0.2	(0.1)	(55.2)
Total liabilities to own pension schemes	89.2	42.3	46.8	110.7

¹The bank's employee pension funds did not hold any of the bank's equity instruments in the year under review or in the prior year.

11 Information on pension funds

Employer contribution reserves (ECR) ¹					
	Nominal value	Waiver of use	Net amount	Net amount	Influence of ECR on
CHF mns	31-12-16	31-12-16	31-12-16	31-12-15	personnel expenses
					2016 2015
Patronage funds and pension plans					
Pension plans	7.1				1.1
Total	7.1				1.1

¹ The bank does not recognize the future economic benefit (including employer contribution reserves) as an asset as defined in FINMA Circular 15/1.

Economic benefit or economic liability							
	Surplus/ (Shortfall)	Economic benefit or (economic liability) of the bank		Change versus previous year	Contributions paid current period	Pension cost	
CHF mns	31-12-16	31-12-16	31-12-15			2016	2015
Patronage funds and pension plans	35.0						
Pension plans without a surplus/ shortfall ¹					(30.9)	(30.9)	(18.3)
Total	35.0				(30.9)	(30.9)	(18.3)

¹ In the year under review, a voluntary payment of CHF 12.8 mns was made to increase the funded status.

Bank Vontobel AG has three pension funds that insure the bank's employees and employees of associated companies against the financial consequences of a loss of income as a result of old age, disability or death.

The pension funds provide the mandatory benefits prescribed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) as well as supplementary benefits. The pension funds' assets are managed by Vontobel Group companies.

12 Presentation of issued structured products¹ related to the underlying risk of the embedded derivative

Presentation of issued structured products ¹ related to the underlying risk of the embedded derivative				
	31-12-16 CHF mns	31-12-15 CHF mns	Change to 31-12-15 CHF mns	in %
Interest rate instruments		1.7	(1.7)	(100.0)
Equity securities incl. investment funds	625.5	558.4	67.1	12.0
Commodities/precious metal	25.4	28.5	(3.1)	(10.9)
Other	69.2	16.2	53.0	326.7
Total issued structured products	720.2	604.9	115.3	19.1

¹ All issued structured products are recognized in liabilities from other financial instruments at fair value and their own debenture component is disclosed.

13 Value adjustments and provisions and reserves for general banking risks

Value adjustments and provisions and reserves for general banking risks						
CHF mns	Book value 01-01-16	Using in con- formity with designated purpose	Past due inter- est, recoveries	New creation charged to income	Releases to income	Book value 31-12-16
Provision for other business risks	17.0	1.3	0.1	16.9	0.4	32.3
Other provisions	132.8				31.4	101.4
Total provisions	149.8	1.3	0.1	16.9	31.8	133.7
Value adjustments for default and country risks	15.1	0.0	1.9	0.3	0.6	16.7
of which, value adjustments for default risks in respect of impaired loans/receivables	15.1	0.0	1.9	0.3	0.6	16.7

"Other provisions" consist of collective value adjustments of "Due from customers" and "Mortgages" as well as "Contingent liabilities" that are permissible from a tax perspective according to the fact sheet on the taxation of banks and securities traders issued by the Cantonal Tax Office of Zurich on 30 November 2015. In the year under review, CHF 31.4 mns of this sum was released through profit or loss to cover an extraordinary payment to the Munich authorities, the voluntary payment to the bank's pension fund and the provision recorded in connection with the proceedings involving the authorities in North Rhine-Westphalia.

"Provisions for other business risks" mainly comprise litigation provisions. Litigation risks are assessed on an on-going basis and the relevant provision is adjusted in the course of court proceedings if necessary. The occurrence of a loss depends on the decision of the competent courts. In the year under review, a provision of CHF 13.4 mns was recorded in connection with the ongoing proceedings involving the authorities in North Rhine-Westphalia.

14 Presentation of the bank's capital

Presentation of the bank's capital						
	31-12-16			31-12-15		
	Total par value CHF mns	Number of shares	Capital ranking for dividend CHF mns	Total par value CHF mns	Number of shares	Capital ranking for dividend CHF mns
Share capital – registered shares	149.0	149,000	149.0	149.0	149,000	149.0
Total share capital	149.0	149,000	149.0	149.0	149,000	149.0
Authorized share capital		none			none	
of which capital increases completed						
Conditional share capital		none			none	
of which capital increases completed						

15 Disclosure of holders of significant participations in the Bank Vontobel AG, Zurich

Disclosure of holders of significant participations in the Bank Vontobel AG, Zurich				
	31-12-16 Nominal CHF mns	Share as %	31-12-15 Nominal CHF mns	Share as %
With voting rights on share capital of Bank Vontobel AG				
Vontobel Holding AG, Zurich	149.0	100.0	149.0	100.0
Total voting rights in share capital ranking for dividends	149.0	100.0	149.0	100.0

Disclosure of holders of significant participations in the Vontobel Holding AG, Zurich				
	31-12-16 Nominal CHF mns	Share as %	31-12-15 Nominal CHF mns	Share as %
With voting rights on share capital of CHF 56.875 mns of Vontobel Holding AG				
Community of heirs Dr Hans Vontobel	11.8	20.7	11.8	20.7
Community of heirs of Ruth de la Cour-Vontobel			3.6	6.3
Vontrust AG (Holding of the Vontobel family shareholders)	8.1	14.3	8.1	14.3
Other shares of family shareholders	4.1	7.2	0.3	0.4
Vontobel Foundation	7.1	12.5	7.1	12.5
Pellegrinus Holding AG (public utility foundation Corvus) ¹	2.7	4.7	2.7	4.7
Vontobel Holding AG including subsidiaries (own shares without voting rights) ²	2.1	3.7	2.1	3.7
Executive members	0.1	0.1	0.1	0.2
Total voting rights on share capital	36.0	63.2	35.7	62.8
of which members of the pool (with and without voting rights)	36.0	63.2	35.7	62.8
of which members of the pool (with voting rights)	33.8	59.5	33.6	59.1
of which pooled shares	26.0	45.8	26.0	45.8

¹ Usufruct incl. voting right by Pellegrinus Holding AG, ownership by Vontobel Foundation

² Excl. Option rights amounting to 0.1% (previous year 0.0%) of shares outstanding

16 Number and value of equity securities held by all executives and directors and by employees

Number and value of equity securities held by all executives and directors and by employees				
	31-12-16	31-12-16	31-12-15	31-12-15
	CHF mns	Number	CHF mns	Number
Members of executive bodies	15.6	508,584	11.8	451,420
Employees	24.6	821,523	17.3	709,503
Total	40.2	1,330,107	29.1	1,160,923

Employees of Bank Vontobel AG participate in the Vontobel Group's share participation model. Contractual terms and conditions and the basis of calculation are described in the

consolidated Annual Report of Vontobel, pages 58 to 64 and 75 to 77. The values accrued for performance shares on a pro rata temporis basis are shown in the above table.

17 Disclosure of amounts due from/to related parties

Disclosure of amounts due from/to related parties				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Amounts due from				
Holders of qualified participations	388.8	318.5	70.3	22.1
Affiliated companies	318.2	720.6	(402.4)	(55.8)
Members of governing bodies	1.9	0.0	1.9	
Other related parties		0.1	(0.1)	(100.0)
Amounts due to				
Holders of qualified participations	66.1	76.1	(10.0)	(13.1)
Affiliated companies	1,757.9	1,171.6	586.3	50.0
Members of governing bodies	17.7	17.6	0.1	0.4
Other related parties	59.4	68.3	(8.9)	(13.1)

Due from holders of qualified participations mainly comprises fixed advances to Vontobel Holding AG in the amount of CHF 388.8 mns, which were granted in accordance with market conditions. A large proportion of the due from and to affiliated companies results from the issuing of structured products of the affiliate in Dubai as well

as from intra-Group financing activities. The transactions are conducted in accordance with market conditions. In the case of members of governing bodies and other related parties, the transactions (e.g. securities transactions, lending and income paid on deposits) are conducted according to the conditions that apply to third parties.

18 Own shares and composition of equity capital

Bank Vontobel AG did not hold, sell or purchase its own equity securities during the year under review. Information on the composition of own equity capital and the rights

and restrictions associated with shares of capital is provided in Appendix 14 "Presentation of the bank's capital".

Not distributable reserves				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Not distributable statutory retained earnings reserves	74.5	74.5		
Total non distributable reserves	74.5	74.5		

19 Breakdown of total of the net foreign exposure by credit rating of country groups (risk domicile view)

Breakdown of total of the net foreign exposure by credit rating of country groups (risk domicile view)				
	31-12-16		31-12-15	
	Absolute	Share	Absolute	Share
	CHF mns	as %	CHF mns	as %
Bank's own country rating¹				
AAA to AA–	5,114.5	93.1	5,663.5	90.9
A+ to BBB–	261.6	4.8	336.9	5.4
BB+ to D	65.3	1.2	167.8	2.7
Without rating	50.6	0.9	62.1	1.0
Total net foreign exposure	5,491.9	100.0	6,230.2	100.0

¹ When determining its own country rating, Bank Vontobel AG uses a calculation that is based on the recognized rating agencies Fitch, Moody's and Standard & Poor's.

Notes to the off-balance sheet transactions

20 Breakdown of fiduciary transactions

Breakdown of fiduciary transactions				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Fiduciary investments with third-party companies	1,075.0	724.7	350.3	48.3
Total fiduciary transactions	1,075.0	724.7	350.3	48.3

21 Breakdown of managed assets¹

Breakdown of managed assets ¹				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF bns	CHF bns	CHF bns	in %
Assets under discretionary asset management agreements	6.0	6.0	0.1	1.2
Other managed assets	44.7	39.4	5.3	13.5
Total managed assets (including double counting)	50.7	45.3	5.4	11.8
of which, double counting				

¹ Calculation in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority concerning accounting standards for financial institutions and Vontobel internal guidelines

Presentation of the development of managed assets				
	Current year	Previous year	Change to previous year	
	CHF bns	CHF bns	CHF bns	in %
Total managed assets (including double counting) at beginning	45.3	68.8	(23.4)	(34.0)
+/- Net new money inflow or net money outflow	2.5	(0.0)	2.5	
+/- Price gains/losses, interests, dividends and currency gains/losses	2.9	(1.1)	4.0	(360.6)
+/- Integration of Finter Bank Zürich AG		1.4	(1.4)	(97.0)
+/- Asset deal to Vontobel Asset Management AG		(23.8)	23.8	(100.2)
Total managed assets (including double counting) at end	50.7	45.3	5.4	11.9

Assets under management and net inflows/outflows of new money

Assets under management are calculated and reported in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting standards for financial institutions. Assets under management comprise all of the assets managed or held for investment purposes of private, corporate and institutional clients excluding borrowings, as well as assets in self-managed collective investment instruments. This includes all amounts due to customers on savings and deposit accounts, fixed-term and fiduciary deposits, and all valued assets. Assets under management that are deposited with third parties are included to the extent that they are managed by the Bank. Assets under management only include those assets on which the Bank generates considerably higher income than on assets that are held solely for custody purposes or the execution of transactions. These types of custody assets are reported separately. Assets that are counted more than once, i. e. in several categories of assets under management

to be disclosed, are shown under double counts. They primarily include shares in self-managed collective investment instruments in client portfolios.

Net inflows or outflows of assets under management during the reporting period consist of the acquisition of new clients, the departure of clients as well as inflows and outflows of assets from existing clients. This also includes borrowing and the repayment of loans. The calculation of the net inflow or outflow of new money is performed at the level "total assets under management" (excl. double counts). If there is a change in the service provided, resulting in the reclassification of assets under management as assets held for custody purposes or vice versa, this is recorded as an outflow of new money or an inflow of new money, respectively. Securities-related and currency-related changes in market value, interest income and dividends, fee charges, loan interest paid and the impacts of acquisitions and disposals of business divisions of the Bank do not constitute inflows or outflows of assets.

Notes to the income statement

22 Result from trading activities and the fair value option by business area

Result from trading activities and the fair value option by business area				
	31-12-16 CHF mns	31-12-15 CHF mns	Change to 31-12-15	
			CHF mns	in %
Securities	32.9	83.0	(50.1)	(60.4)
Forex, banknote and precious metals	45.0	32.1	13.0	40.4
Total net income from trading operations	77.9	115.0	(37.1)	(32.3)

Result from trading activities and the fair value option by underlying risk				
	31-12-16 CHF mns	31-12-15 CHF mns	Change to 31-12-15	
			CHF mns	in %
Result from trading activities from:				
Interest rate instruments (including investment funds)	(96.3)	(20.5)	(75.8)	369.8
Equity securities (including investment funds)	119.3	75.6	43.7	57.7
Foreign currencies	23.4	56.9	(33.5)	(58.8)
Commodities/precious metals	34.0	3.6	30.4	841.5
Other	(2.6)	(0.6)	(1.9)	302.6
Total result from trading activities	77.9	115.0	(37.1)	(32.3)
of which, from fair value option on liabilities	(56.0)	(2.8)	(53.2)	

23 Breakdown of interest and discount income¹ and interest expense

Breakdown of interest and discount income ¹ and interest expense				
	31-12-16 CHF mns	31-12-15 CHF mns	Change to 31-12-15	
			CHF mns	in %
Interest income on loans/receivables	37.2	30.1	7.0	23.4
Negative interest on assets	(4.8)	(5.3)	0.5	(9.7)
Total interest and discount income	32.4	24.8	7.6	30.4
Interest expense on liabilities	(1.6)	(1.3)	(0.4)	30.2
Negative interest on liabilities	4.4	2.3	2.2	94.0
Total interest expense	2.8	1.0	1.8	172.8

¹ For the trading business no refinancing income will be credited in the interest income.

24 Breakdown of personnel expenses

Breakdown of personnel expenses				
	31-12-16 CHF mns	31-12-15 CHF mns	Change to 31-12-15	
			CHF mns	in %
Salaries and bonuses	(244.8)	(224.0)	(20.8)	9.3
of which, expenses relating to share-based compensation	(24.7)	(21.9)	(2.7)	12.4
Employee benefits	(20.1)	(18.4)	(1.7)	9.2
Contribution to pension funds ¹	(30.9)	(18.3)	(12.7)	69.3
Other personnel expense	(6.2)	(9.3)	3.1	(33.5)
Total personnel expense	(302.0)	(269.9)	(32.1)	11.9

¹ In the year under review, a voluntary payment of CHF 12.8 mns was made to increase the funded status.

25 Breakdown of general and administrative expenses

Breakdown of general and administrative expenses				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Office space expenses	(22.3)	(23.2)	0.9	(3.8)
Expenses for information and communications technology	(35.7)	(31.1)	(4.6)	14.9
Expenses for vehicles, equipment, furniture and other fixtures	(0.3)	(0.4)	0.1	(23.9)
Fees of audit firm	(1.0)	(1.4)	0.4	(26.3)
of which, for financial and regulatory audit	(1.1)	(1.3)	0.3	(20.6)
of which, for other services	0.0	(0.1)	0.1	(119.3)
Expenses for travel and representation, public relations, marketing and consulting	(20.3)	(17.5)	(2.8)	16.2
Other operating expenses	(25.4)	(23.5)	(1.9)	8.0
Total general and administrative expenses	(105.0)	(97.0)	(8.0)	8.2

26 Significant losses, extraordinary income and expense, significant release of hidden reserves and value adjustments and provisions that are no longer required

In the year under review, CHF 31.4 mns of untaxed hidden reserves booked under provisions were released through extraordinary income. This covered the extraordinary payment of CHF 5.0 mns to the Munich authorities, which was booked under losses, the voluntary payment of

CHF 12.8 mns to the bank's pension fund, which was booked under personnel expense, and the provision of CHF 13.4 mns recorded in connection with the ongoing proceedings involving the authorities in North Rhine-Westphalia. There were no other significant transactions in the items concerned. In particular, no property and equipment or participations were revalued and no significant impairments were reversed or provisions released.

27 Presentation of taxes

Presentation of taxes				
	31-12-16	31-12-15	Change to 31-12-15	
	CHF mns	CHF mns	CHF mns	in %
Current income tax ¹	(0.1)	(0.0) ¹	(0.1)	166.4
Current capital tax	(1.1)	(0.9)	(0.2)	21.4
Total taxes	(1.2)	(0.9)	(0.3)	28.1

¹ In the financial year 2015, Bank Vontobel AG was able to use a tax loss carryforward in the amount of CHF 28.0 mns from the acquisition of Finter Bank Zurich AG, resulting in a CHF 6.1 mns reduction in corporate income tax.

Average tax rate			
in %	2016	2015	
Average tax rate weighted on the basis of the operating result	n/a ¹	0.1	

¹ Not applicable due to the negative operating result.

Information on capital and liquidity

28 Capital ratios and Leverage ratio

Capital ratios in accordance with FINMA Circular 16/01		
	31-12-16	31-12-15
Minimum capital requirement based on risk-weighted positions in CHF mns	271.0	238.6
Eligible regulatory capital in CHF mns	715.6	749.8
whereof common equity tier 1 (CET1) in CHF mns	614.1	616.3
whereof tier 1 capital (T1) in CHF mns	614.1	616.3
Risk-weighted positions (RWA) in CHF mns	3,388.0	2,982.6
CET1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 4.5%) ¹	18.1	20.7
Tier 1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 6.0%) ²	18.1	20.7
Total capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 8.0%) ³	21.1	25.1
Countercyclical buffer requirement (in % of RWA)	0.0	0.0

¹ CET1 capital ratio target according to Annex 8 CAO plus countercyclical buffer: 7.8

² T1 capital ratio target according to Annex 8 CAO plus countercyclical buffer: 9.6

³ Total capital ratio target according to Annex 8 CAO plus countercyclical buffer: 12.0

Leverage ratio in accordance with FINMA Circular 15/3		
	31-12-16	31-12-15
Net eligible BIS tier 1 capital in CHF mns	614.1	616.3
Total leverage ratio exposure in CHF mns	14,210.3	12,780.0
Leverage ratio (unweighted capital ratio in accordance with Basel III)	4.3	4.8

29 Liquidity Coverage Ratio

Liquidity Coverage Ratio in accordance with FINMA Circular 15/2				
	4th Quarter 2016 Average	3rd Quarter 2016 Average	2nd Quarter 2016 Average	1st Quarter 2016 Average
Total stock of high quality liquid assets (HQLA) in CHF mns	3,790.0	3,362.7	2,858.9	2,970.1
Total net cash outflows in CHF mns	2,667.6	2,418.3	2,140.1	2,221.8
Liquidity Coverage Ratio LCR	142.1	139.1	133.6	133.7

The liquidity coverage ratio is disclosed in accordance with the requirements set out in FINMA Circular 16/01. The values used to calculate the liquidity coverage ratio are simple monthly averages for the relevant quarter or half-year. The average is calculated based on the values shown in the monthly liquidity status reports submitted to FINMA and the SNB. This results in three data points per quarter.

For 2016, the liquidity coverage ratio had to exceed 70%. The main factors influencing Vontobel's liquidity coverage ratio are cash holdings as high-quality liquid assets, customer cash accounts as weighted cash outflows, and reverse-repurchase agreements maturing within 30 calendar days as cash inflows.

The corporate bodies of Bank Vontobel AG, Zurich

The Board of Directors

The Board of Directors of Bank Vontobel AG consists of the following persons as of 31 December 2016	
Name	Function
Herbert J. Scheidt	Chairman
Dr Frank Schnewlin	Deputy Chairman
Bruno Basler	Member
Dr Maja Baumann	Member (since 20-04-16)
Dr Elisabeth Bourqui	Member
David Cole	Member (since 20-04-16)
Nicolas Oltramare	Member
Clara C. Streit	Member
Björn Wettergren	Member (since 20-04-16)

Resignations in 2016:	
Dominic Brenninkmeyer	Member (until 20-04-16)

The majority of the members of the Board of Directors of Bank Vontobel AG meet the independence criteria prescribed in the FINMA Circular 08/24 "Supervision and Internal Control at Banks", mn 20–24. They are: Herbert J. Scheidt, Dr Frank Schnewlin, Bruno Basler, Dr Elisabeth Bourqui, David Cole, Nicolas Oltramare and Clara C. Streit. Dr Maja Baumann and Björn Wettergren are members of the Vontobel and de la Cour families. They serve on some governing bodies of entities representing the interests of majority shareholders.

The Executive Board

Executive management comprises the following persons as of 31 December 2016	
Name	Function
Dr Zeno Staub	CEO
Dr Martin Sieg Castagnola	CFO
Felix Lenhard	Member
Georg Schubiger	Member
Axel Schwarzer	Member
Roger Studer	Member

Report of the statutory auditor



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To the General Meeting of Bank Vontobel AG, Zurich

Report of the statutory auditor on the financial statements

Berne, 2 February 2017

As statutory auditor, we have audited the financial statements of Bank Vontobel AG, which comprise the balance sheet, income statement, statement of equity and notes (pages 7 to 29), for the year ended 31 December 2016.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appro-

priate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2016 comply with Swiss law and the company's articles of incorporation.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Patrick Schwaller
Licensed audit expert
(Auditor in charge)

Stefan Lutz
Licensed audit expert

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Legal information

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