



**Crédit Agricole next bank (Suisse) SA**  
*(incorporated with limited liability in Switzerland)*  
**CHF 2 billion Covered Bond Programme**  
**guaranteed as to payments of interest and principal by**  
**CAnb (Suisse) Hypothèques SA**  
*(incorporated with limited liability in Switzerland)*

Under its CHF 2 billion covered bond programme (the **Programme**), Crédit Agricole next bank (Suisse) SA (the **Issuer, CA nb Switzerland**) may from time to time issue covered bonds with a Final Maturity Date and an Extended Due for Payment Date (each as defined below) (the **Covered Bonds**) denominated in Swiss francs.

**An investment in Covered Bonds involves certain risks. For a discussion of these risks, see the section of this Base Prospectus entitled "Risk Factors" below.**

CA nb (Suisse) Hypothèques SA (the **Guarantor**) will, pursuant to the Guarantee (as defined below) irrevocably and, following the Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amounts (each as defined below) and subject to the terms and conditions of the Guarantee, unconditionally guarantee the due and punctual performance by the Issuer of its obligations to pay Scheduled Interest and Scheduled Principal on the Covered Bonds in an amount equal to the Guaranteed Amounts. The obligations of the Guarantor under the Guarantee are direct, unsecured, unsubordinated and, following the Guarantee Activation Date and subject to the service of a Notice to Pay for the relevant Guaranteed Amounts, unconditional. To secure, *inter alia*, its obligation to pre-fund or reimburse and indemnify the Guarantor for sums paid or payable by the Guarantor under the Guarantee, CA nb Switzerland will assign and transfer for security purposes Mortgage Assets (as defined below) and certain other Substitute Assets (as defined below) to the Guarantor. Recourse against the Guarantor under the Guarantee will ultimately be limited to the transferred Mortgage Assets and Substitute Assets. See "*The Guarantee*".

The Covered Bonds are not mortgage bonds (*lettres de gage*) within the meaning of the Swiss Federal Act on Mortgage Bonds (*loi sur l'émission de lettres de gage*). Accordingly, Covered Bondholders do not benefit from any of the protections thereunder.

CA nb Switzerland is owned by Crédit Agricole des Savoie, Crédit Agricole Centre-Est, Crédit Agricole Franche-Comté CA, Crédit Agricole Alsace-Vosges and CA Indosuez (Switzerland) SA (the **CA nb Shareholders**). **The Covered Bonds and the Guarantee will be obligations solely of the Issuer and the Guarantor, respectively, and will not be guaranteed by or the responsibility of any of the CA nb Shareholders, any other Crédit Agricole Group (as defined below) company or any other entity referred to in this Base Prospectus.**

Covered Bonds may be issued on a continuing basis to one or more Dealer(s) or New Dealer(s) appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this base prospectus (the **Base Prospectus**) to the **relevant Dealer(s)** shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Covered Bonds.

This Base Prospectus has been approved by SIX Exchange Regulation AG in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act dated 15 June 2018, as amended (the **FinSA**) (in such capacity, the **Swiss Review Body**) as a base prospectus within the meaning of article 45 of the FinSA on 28 July 2023.

In respect of any Series or Tranche (each as defined herein) of Covered Bonds to be listed on SIX Swiss Exchange AG (**SIX Swiss Exchange**) during the 12 months from the date of this Base Prospectus, this Base Prospectus (as amended or supplemented as of the date of the Applicable Final Terms (as defined below)), together with the Applicable Final Terms, will constitute the prospectus for purposes of the FinSA.

The aggregate principal amount of Covered Bonds, interest payable with respect to the Covered Bonds, the issue price of the Covered Bonds and certain other information which is applicable to each Series or Tranche (as defined under "*Terms and Conditions of the Covered Bonds*" below, the **Conditions**) of such Covered Bonds will be set out in the final terms (the **Applicable Final Terms**) in the form or substantially in the form as set out herein, which, in respect of Covered Bonds to be listed on SIX Swiss Exchange will be filed with SIX Exchange Regulation AG prior to the provisional admission to trading of such Tranche of Covered Bonds as required by the FinSA.

Covered Bonds may be listed or admitted to trading, as the case may be, on SIX Swiss Exchange or on such other or further trading venues or markets as may be agreed between the Issuer, the Trustee and the relevant Dealer. The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any market. References in this Base Prospectus to Covered Bonds being listed (and all related references) shall mean that, unless otherwise specified in the Applicable Final Terms, such Covered Bonds have been provisionally admitted to trading or listed in compliance with the standard for bonds on SIX Swiss Exchange, as applicable.

The Issuer may agree with any Dealer and the Trustee that Covered Bonds may be issued in a form or pursuant to terms and conditions not contemplated by the Conditions set out herein, in which event a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect to the agreement reached in relation to the Covered Bonds.

Payments of interest in respect of the Covered Bonds (periodic, as original issue discount or premium upon redemption) and payment of corresponding Guaranteed Amounts pursuant to the Guarantee will be subject to Swiss Withholding Tax, currently at a rate of 35%, levied by the Issuer and Guarantor, respectively. The Issuer will not be obliged to pay additional amounts thereon.

The Covered Bonds are expected on issue to be assigned an "AAA" rating by Fitch Ratings Limited (**Fitch**). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Base Prospectus is to be read in conjunction with any supplement hereto and any Applicable Final Terms and with all documents which are deemed incorporated by reference herein. This Base Prospectus shall be read and construed on the basis that such documents are incorporated into, and form part of, this Base Prospectus.

This Base Prospectus has been prepared by the Issuer and the Guarantor solely for use in connection with the offering of the Covered Bonds and for the admission to trading and listing of any Tranche of Covered Bonds on SIX Swiss Exchange. The Issuer and the Guarantor have not authorised the use of this Base Prospectus for any other purpose.

## IMPORTANT INFORMATION

**THE COVERED BONDS AND THE GUARANTEE WILL BE OBLIGATIONS SOLELY OF THE ISSUER AND THE GUARANTOR, RESPECTIVELY, AND WILL NOT BE GUARANTEED BY OR THE RESPONSIBILITY OF CANB SWITZERLAND'S SHAREHOLDERS, ANY OTHER CREDIT AGRICOLE GROUP COMPANY OR ANY OTHER ENTITY REFERRED TO IN THIS BASE PROSPECTUS.**

**AN INVESTMENT IN THE COVERED BONDS INVOLVES A HIGH DEGREE OF RISK. THE "RISK FACTORS" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE COVERED BONDS. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION.** The risks and uncertainties discussed in the "*Risk Factors*" section are not the only ones facing the Issuer, the Guarantor and the other transaction parties. Additional risks and uncertainties not presently known, or that are not currently believed to be material, may also affect the Covered Bonds, the Issuer, the Guarantor and the other transaction parties. If any of these risks occur, prospective investors could lose part or all of their investment.

Save for the information contained in the section entitled "*Description of the Trustee*" and "*Description of the Guarantor*", the Issuer assumes responsibility for the accuracy and completeness of the information contained or incorporated by reference in this Base Prospectus and the Applicable Final Terms for each Tranche of Covered Bonds issued under the Programme. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that this is the case) the information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and does not omit anything which is likely to affect the import of such information or which would make misleading any statement (whether it is a statement of fact or of opinion) contained or incorporated by reference in this Base Prospectus.

TMF Investments SA (the **Trustee**) assumes responsibility for the information contained in the section entitled "*Description of the Trustee*". The Guarantor assumes responsibility for the information contained in the section entitled "*Description of the Guarantor*". Each of the Trustee and the Guarantor declares that to the best of its knowledge and belief (having taken all reasonable care to ensure that this is the case) the information contained in the section for which it assumes responsibility (as described above) is in accordance with the facts and does not omit anything which is likely to affect the import of such information or which would make misleading any statement (whether it is a statement of fact or of opinion) therein.

Neither the Arranger, nor the Dealer(s) nor any CAnb Switzerland Group company (other than CAnb Switzerland or the Guarantor) nor any of their respective affiliates have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealer(s) nor any other CAnb Switzerland Group company nor any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer and the Guarantor in connection with the Programme. Neither the Arranger, the Dealer(s) nor any other CAnb Switzerland Group company nor any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer, the Guarantor, the Arranger, any of the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, any of the Dealers or the Trustee.

The Guarantor is not subject to any obligations pursuant to the listing rules of SIX Swiss Exchange (the **SIX Listing Rules**) and other rules and regulations of SIX Swiss Exchange with respect to the listing and the maintenance of the listing of any Covered Bonds on SIX Swiss Exchange.

Neither the delivery of this Base Prospectus or any Applicable Final Terms nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, on any event reasonably likely to involve any adverse change, in the prospects or final trading position of the Issuer or the Guarantor since the date hereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealer(s) and the Trustee expressly do not undertake to

review the financial condition or affairs of the Issuer, the Guarantor, the Originator, any Swap Provider (if any) or any other person during the life of the Programme or to advise any investor in the Covered Bonds of any information coming to their attention. Neither the Issuer nor the Guarantor has any obligation to update this Base Prospectus, except where required by and in accordance with any applicable legal requirements.

Subject as provided in the Applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Covered Bonds are the Issuer and the persons named in the Applicable Final Terms as the relevant Dealer(s) or the managers and the persons named in or identifiable in the Applicable Final Terms as the "Financial Intermediaries", as the case may be.

Any person (an **Investor**) intending to acquire or acquiring any Covered Bonds from any person (an **Offeror**) will do so, and offers and sales of the Covered Bonds to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Guarantor will be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Covered Bonds and, accordingly, this Base Prospectus and any Applicable Final Terms will not contain such information and an Investor must obtain such information from the Offeror.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Guarantor, the Arranger or any of the Dealers, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Covered Bonds, should subscribe for or purchase any Covered Bonds. Each Investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor and the Originator. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer by or on behalf of the Issuer, the Guarantor, the Originator, the Trustee, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Covered Bonds. Each potential Investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential Investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact that the Covered Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential Investor's financial activities are principally denominated;
- (d) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Covered Bonds are complex financial instruments. Sophisticated institutional Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential Investor should not invest in Covered Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of the Covered Bonds and the impact this investment will have on the potential Investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers (a) to determine whether and to what extent (1) Covered Bonds are legal investments for it, (2) Covered Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Covered Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Applicable Final Terms or any other documents related thereto and the offering, sale and delivery of Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the Guarantor, the Originator, the Arranger, the Dealer(s) and the Trustee do not represent that this Base Prospectus, any Applicable Final Terms or any other documents related thereto may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Originator, the Arranger, the Dealer(s), the Trustee or any other party which would permit a public offering of any Covered Bonds or distribution of this Base Prospectus, any Applicable Final Terms or any other documents related thereto in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Applicable Final Terms nor any advertisement or other offering material or any other documents related thereto may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus, any Applicable Final Terms or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and any Applicable Final Terms and the offering and sale of Covered Bonds. In particular, there are selling restrictions in relation to the United States, the European Economic Area (including the United Kingdom) and such other restrictions as may apply. See "*Selling Restrictions*" below.

In relation to each Member State of the European Economic Area (the **EEA**) (each, a **Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds that are subject to the offering contemplated by this Base Prospectus as completed, modified, supplemented and/or replaced by the Applicable Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Covered Bonds to the public in that Member State:

- (a) At any time to any legal entity that is a qualified investor as defined in the Regulation (EU) 2017/1129 (the **Prospectus Regulation**);
- (b) At any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) At any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in clauses (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For purposes of this provision, the expression an **offer of Covered Bonds to the public** in relation to any Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

In relation to the United Kingdom (the **UK**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds that are subject to the offering contemplated by this Base Prospectus as completed, modified, supplemented and/or replaced by the Applicable Final Terms in relation thereto to the public in the UK except that it may make an offer of such Covered Bonds to the public in the UK:

- (a) At any time to any legal entity that is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**);
- (b) At any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) as it forms part of domestic law by virtue of the EUWA) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) At any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in clauses (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

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

**THE COVERED BONDS AND THE GUARANTEE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE COVERED BONDS OR THE ACCURACY OR THE ADEQUACY OF THE BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**THE COVERED BONDS AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER RELEVANT JURISDICTION OF THE UNITED STATES OF AMERICA. SUBJECT TO CERTAIN EXCEPTIONS, THE COVERED BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.**

**THIS BASE PROSPECTUS IS NOT A PROSPECTUS FOR PURPOSES OF THE PROSPECTUS REGULATION.**

## FORWARD-LOOKING STATEMENTS

This Base Prospectus contains or incorporates by reference, including in the incorporated sections of the H1 2023 CAnb Switzerland Interim Report, statements that constitute forward-looking statements. In addition, in the future the Issuer and the Guarantor, and others on their behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the following:

- the Issuer's plans, targets or goals;
- the Issuer's future economic performance or prospects;
- the potential effect on the Issuer's future performance of certain contingencies; and
- assumptions underlying any such statements.

Words such as "believes", "anticipates", "expects", "intends" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer and the Guarantor do not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. The Issuer and the Guarantor caution potential investors that a number of important factors could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements and that potential pandemics (such as COVID-19) or wars could create significantly greater uncertainty about forward-looking statements in addition to the factors that generally affect CAnb Switzerland's business. These factors include:

- the ability to maintain sufficient liquidity and access capital markets;
- market volatility, increases in inflation and interest rate fluctuations or developments affecting interest rate levels, including the persistence of a low or negative interest rate environment;
- the strength of the global economy in general and the strength of the economy in Switzerland, in particular the risk of negative impacts of COVID-19 on the Swiss and global economy and financial markets and the risk of continued slow economic recovery or downturn in 2023 and beyond;
- the emergence of widespread health emergencies, infectious diseases or pandemics, such as COVID-19, and the actions that may be taken by governmental authorities to contain the outbreak or to counter its impact on the Issuer's business;
- potential risks and uncertainties relating to the severity of the impacts from pandemics and their duration, including potential material adverse effects on the Issuer's business, financial condition and results of operations;
- the direct and indirect impacts of deterioration or slow recovery in Swiss residential real estate markets;
- adverse rating actions by credit rating agencies in respect of the Issuer, sovereign issuers, structured credit products or other credit-related exposures;
- the ability to achieve the Issuer's strategic goals, including those related to its targets and financial goals;
- the ability of counterparties to meet their obligations to the Issuer and the adequacy of the Issuer's allowance for credit losses;
- the effects of, and changes in, fiscal, monetary, exchange rate, trade and tax policies;
- as the effects of currency fluctuations including the related impact on the Issuer's business, financial condition and results of operations due to moves in foreign exchange rates;

- geopolitical and diplomatic tensions, instabilities and conflicts, including war, civil unrest, terrorist activity, sanctions or other geopolitical events or escalations of hostilities;
- political, social and environmental developments, including climate change;
- the ability to appropriately address social, environmental and sustainability concerns that may arise from the Issuer's business activities;
- operational factors such as systems failure, human error, or the failure to implement procedures properly;
- the risk of cyber-attacks, information or security breaches or technology failures on the Issuer's reputation, business or operations, the risk of which is increased while large portions of the Issuer's employees work remotely;
- the adverse resolution of litigation, regulatory proceedings, and other contingencies;
- actions taken by regulators with respect to the Issuer's business and practices and possible resulting changes to its business organisation, practices and policies in countries in which it conducts its operations;
- the effects of changes in laws, regulations or accounting or tax standards, policies or practices in countries in which the Issuer conducts its operations;
- the discontinuation of any interbank offered rates and the transition to alternative reference rates;
- competition or changes in the Issuer's competitive position in geographic and business areas in which it conducts its operations;
- the ability to retain and recruit qualified personnel;
- the ability to protect the Issuer's reputation and promote the Issuer's brand;
- the ability to increase market share and control expenses;
- technological changes instituted by the Issuer, its counterparties or its competitors;
- the timely development and acceptance of the Issuer's new products and services and the perceived overall value of these products and services by users;
- acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; and
- other unforeseen or unexpected events and the Issuer's success at managing these and the risks involved in the foregoing.

The Issuer cautions potential investors in Covered Bonds that the foregoing list of important factors is not exclusive. When evaluating forward-looking statements, potential investors in Covered Bonds should carefully consider the foregoing factors and other uncertainties and events, as well as the risk factors and other information set forth in the documents incorporated into or contained in this Base Prospectus.

## **INTERPRETATION AND DEFINITIONS**

Capitalised terms used and not otherwise defined herein will have the meanings ascribed to them in the "*Glossary of Defined Terms*".

## TABLE OF CONTENTS

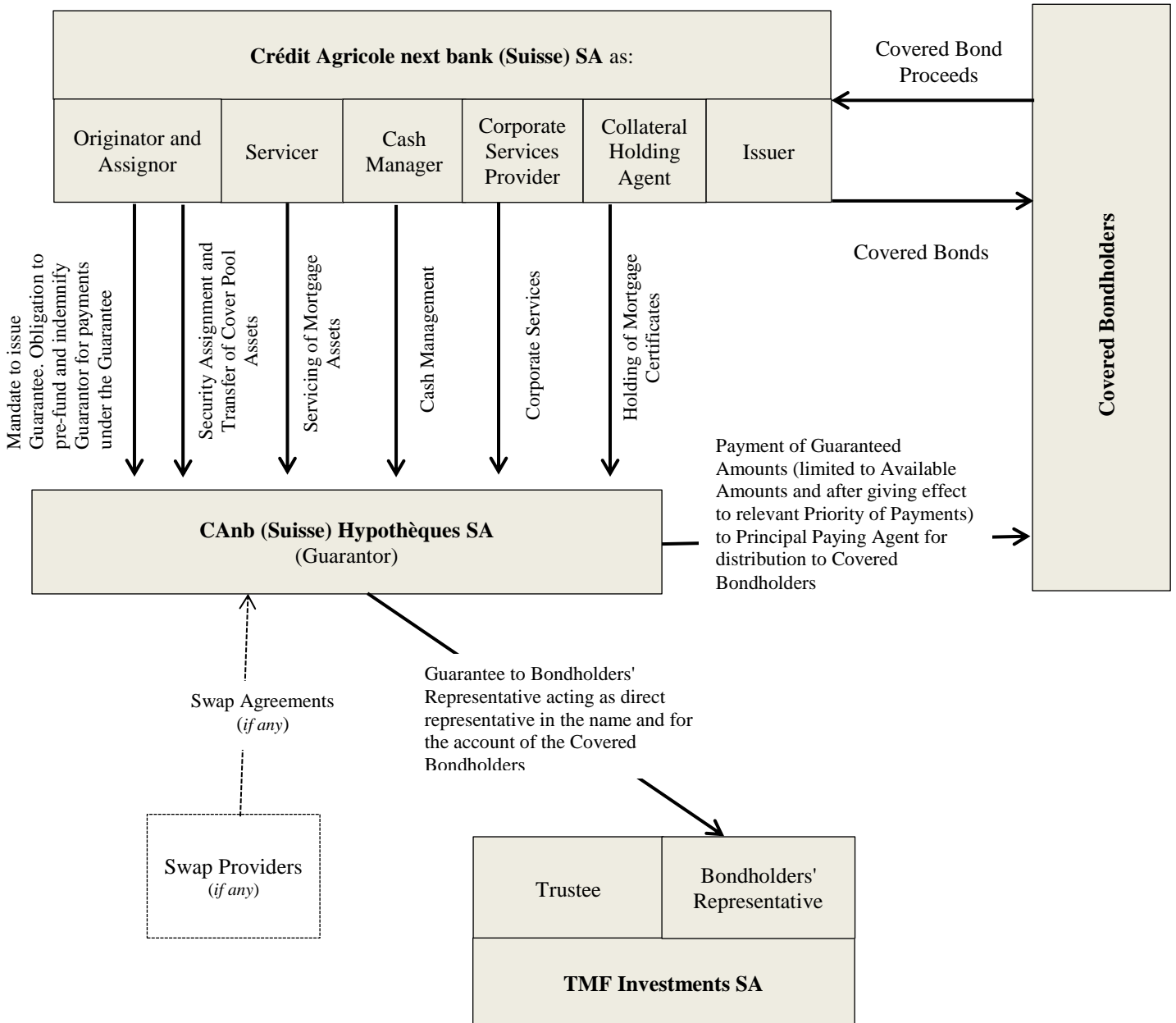
<i>STRUCTURE DIAGRAM</i> .....	9
<i>OVERVIEW OF STRUCTURE OF THE PROGRAMME</i> .....	10
<i>SUMMARY</i> .....	13
<i>RISK FACTORS</i> .....	24
<i>ABOUT THIS BASE PROSPECTUS</i> .....	54
<i>FORM OF APPLICABLE FINAL TERMS</i> .....	55
<i>TERMS AND CONDITIONS OF THE COVERED BONDS</i> .....	61
<i>THE GUARANTEE</i> .....	90
<i>USE OF PROCEEDS</i> .....	105
<i>DESCRIPTION OF CANB SWITZERLAND</i> .....	106
<i>DESCRIPTION OF THE GUARANTOR</i> .....	113
<i>DESCRIPTION OF THE TRUSTEE</i> .....	118
<i>OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS</i> .....	120
<i>CREDIT STRUCTURE</i> .....	154
<i>CASH FLOWS</i> .....	160
<i>CANB SWITZERLAND'S LENDING CRITERIA</i> .....	168
<i>CANB SWITZERLAND'S ORIGINATION AND SERVICING PROCEDURES</i> .....	172
<i>SWISS LAW BONDHOLDER PROVISIONS</i> .....	176
<i>TAXATION IN SWITZERLAND</i> .....	179
<i>SUBSCRIPTION AND SALE</i> .....	183
<i>SELLING RESTRICTIONS</i> .....	184
<i>GENERAL INFORMATION</i> .....	187
<i>GLOSSARY OF DEFINED TERMS</i> .....	188



## STRUCTURE DIAGRAM

Set out below is the transaction structure diagram. This transaction structure diagram is qualified in its entirety by the detailed information appearing elsewhere in this Base Prospectus, including the Documents Incorporated by Reference herein, any amendment or supplement thereto, and, in relation to the terms and conditions of a particular Tranche of Covered Bonds, the Applicable Final Terms. If there is any inconsistency between this transaction structure diagram and the information described above, such information will prevail.

The Issuer and any relevant Dealer(s) may agree that Covered Bonds shall be issued in a form other than that contemplated in the Conditions, in which event, if appropriate, a supplement to this Base Prospectus will be published.



## OVERVIEW OF STRUCTURE OF THE PROGRAMME

*The following paragraphs contain a brief summary of the structure of the Programme. This summary is necessarily incomplete and prospective investors are urged to read the entire Base Prospectus, including the Documents Incorporated by Reference and, in relation to the terms and conditions of a particular Tranche of Covered Bonds, the Applicable Final Terms carefully for more detailed information thereto, including but not limited to the sections of this Base Prospectus entitled "Risk Factors", "Overview of the Principal Transaction Documents", "Terms and Conditions of the Covered Bonds", "The Guarantee", "Credit Structure" and "Cash Flows". Any decision to invest in the Covered Bonds should be based on a consideration of this information as a whole and should not be based on this transaction summary. Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this transaction summary. A glossary of certain defined terms used in this Base Prospectus is contained at the end of this Base Prospectus, see "Glossary of Defined Terms".*

*The Issuer and any relevant Dealer(s) may agree that Covered Bonds shall be issued in a form other than as contemplated in the Conditions, in which event, if appropriate, a supplement to this Base Prospectus will be published.*

Under the Programme, the Issuer may issue Series or Tranches of Covered Bonds to Covered Bondholders on each Issue Date (as specified in the Applicable Final Terms). The Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer, which will have the benefit of the Guarantee. Prior to the IED Guarantee Activation Date (as defined in the Glossary of Defined Terms), the Issuer shall make all payments of interest and principal on the Covered Bonds.

Pursuant to the Guarantee Mandate Agreement, the Issuer has mandated the Guarantor to guarantee the due and punctual performance by the Issuer of its obligations to pay Scheduled Interest and Scheduled Principal on the Covered Bonds in an amount equal to the Guaranteed Amounts to the Principal Paying Agent appointed from time to time for all or each Series of Covered Bonds for distribution to the Covered Bondholders and the Issuer has agreed to indemnify the Guarantor for any amounts that the Guarantor pays to the Covered Bondholders under the Guarantee in relation to the Covered Bonds and certain related expenses as described below. Upon the occurrence of an IED Guarantee Activation Date (following the occurrence of an Issuer Event of Default and the service by the Bondholders' Representative of an Issuer Default Notice on the Issuer) and following the service of a Notice to Pay for the relevant Guaranteed Amount on the Guarantor, until the occurrence of the GED Guarantee Activation Date, the Guarantor shall, pursuant to the Guarantee, pay, solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders, such Guaranteed Amounts in relation to the relevant outstanding Series of Covered Bonds subject to and in accordance with the Guarantee Priority of Payments on any Original Due for Payment Date (that is, payments of corresponding amounts under the Guarantee will be made on the originally scheduled payment dates under the Covered Bonds, irrespective of the default by the Issuer and the acceleration of the Issuer's obligations under the Covered Bonds, subject to deferral of the Final Maturity Date in part or in full until the Extended Due for Payment Date under certain conditions (see "*Summary—Guarantee and Guarantee Support—Extendable obligations under the Guarantee*"). The obligations of the Guarantor under the Guarantee are direct, unsecured, unsubordinated and, following the service of a Notice to Pay for the relevant amount on the Guarantor, unconditional.

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer has agreed that it will pre-fund all Guarantee Expenses, by making a corresponding payment to the Guarantor in advance of the relevant Guarantee Expenses falling Due for Payment. Guarantee Expenses consist of the Nominal Amount of any and all sums (including Guaranteed Amounts) paid or payable by or on behalf of the Guarantor to

- (a) the Trustee, any Appointee, the Principal Paying Agent or the Covered Bondholders (including the Guaranteed Amounts) under the Guarantee upon receipt of a Notice to Pay in accordance with the Guarantee; or
- (b) to third parties not party to the Intercreditor Agreement in relation to any and all liabilities, claims, costs and expenses (including reasonable attorney's fees) which the Guarantor may suffer, sustain or incur in connection with the Guarantee or the preservation and enforcement of the Guarantor's related rights under the Guarantee Mandate Agreement, including without limitation, legal proceedings relating to (x) any court order, injunction, or other process decree etc. restraining or seeking to restrain the Guarantor from paying any amount under any Guarantee or (y) the enforcement of the Guarantee Pre-funding Obligation and the Guarantee Recourse and Indemnity Obligation.

Similarly, if Covered Bond Swaps or Cover Pool Swaps will be entered into, CANb Switzerland has agreed to pre-fund and indemnify the Guarantor against Swap Termination Payments (if any) that may be payable by the Guarantor following the replacement of a Swap Provider that may be appointed following the date hereof (as at the date of this Base Prospectus, no Swap Provider has been appointed and the Guarantor has not entered into any

Swap Agreements) and certain increased amounts due by the Guarantor resulting from any Third Party Service Providers being appointed to replace CAnb Switzerland (as Account Bank, Corporate Services Provider and/or Cash Manager), if CAnb Switzerland ceases to be eligible to provide those services. For a discussion of certain risks related to the Guarantee, see "*Risk Factors—Risks relating to the transaction structure generally*".

To secure, *inter alia*, its pre-funding and indemnity obligations to the Guarantor as described above, CAnb Switzerland has agreed to assign for security purposes to the Guarantor eligible claims relating to mortgage credit agreements denominated in CHF (the **Assigned Mortgage Claims**) and transfer to the Guarantor entitlement to the related mortgage certificate(s) each relating to predominately residential properties located in Switzerland providing security solely for the relevant Assigned Mortgage Claims (the **Transferred Mortgage Certificates**) as well as to transfer certain Substitute Assets as security therefor. Accordingly, the Assigned Mortgage Claims and other Cover Pool Assets secure, *inter alia*, the Pre-funding Obligations of the Issuer in relation to the Guarantee, but not the Guarantee itself. Therefore, Covered Bondholders will not benefit from a direct security over the Cover Pool Assets or any other assets of the Guarantor and the security can only be enforced by the Guarantor when CAnb Switzerland fails to satisfy the Secured Obligations. See "*Risk Factors—Risks relating to the transaction structure generally—The Guarantor does not provide any direct security to Covered Bondholders for its obligations under the Guarantee*".

Prior to the IED Guarantee Activation Date, the Cover Pool will be required to be maintained by CAnb Switzerland in an aggregate amount, which is at least equal to the payment obligations under the Covered Bonds from time to time. The size and liquidity of the Cover Pool will be tested on a regular basis on each Pre-Event Test Date in accordance with the Asset Coverage Test and the Interest Coverage Test (the **Pre-Event Tests**), which tests will be periodically verified by the Asset Monitor (as defined below) (see "*Credit Structure—Asset Coverage Test*").

Following the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date) and the service of a Notice to Pay for the relevant amount on the Guarantor, the Trustee, on behalf of the Guarantor, will serve a Guarantee Pre-funding Notice for the relevant amount of Guarantee Expenses on the Issuer not more than 65 Business Days prior to the date that payments for interest, principal or other upcoming Guaranteed Amounts become Due for Payment. Upon receipt of the Guarantee Pre-funding Notice, the Issuer will be obliged to pre-fund (that is, pay) the relevant amount, as specified in the Guarantee Pre-funding Notice, to the Guarantor (the **Guarantee Pre-funding Obligation**) (i) in relation to Guarantee Expenses already due, within one Business Day, (ii) in relation to Guarantee Expenses falling Due for Payment in the 60 Business Day period from and including the date of the Guarantee Pre-funding Notice, within five Business Days, and (iii) in relation to all other Guarantee Expenses properly quantified in the Guarantee Pre-funding Notice on the date falling 60 Business Days prior to the date when the relevant Guaranteed Amount or other amount shall become Due for Payment, or if this is not practicable such other date within such 60 Business Day period as specified in the Guarantee Pre-funding Notice.

In order to claim the relevant amounts from CAnb Switzerland in respect of the other Pre-funding Obligations as defined herein, the Guarantor will also be obliged to serve a relevant Pre-funding Notice on CAnb Switzerland.

If the Issuer fails to pay the amount owed by the due date specified in that Pre-funding Notice, then the Guarantor may utilise or liquidate a corresponding part of the Cover Pool Assets (including by way of sale of Assigned Mortgage Claims together with the corresponding Transferred Mortgage Certificates to an Eligible Investor) and, subject to the relevant Priority of Payments (as described below), use the proceeds to satisfy the claims of the Covered Bondholders and the other Relevant Creditors. Additionally, for the purposes of creating liquidity in the Cover Pool, the Guarantor may sell Assigned Mortgage Claims in order to make scheduled payments under the Covered Bond Swap (if entered into following the date hereof), where those payments fall due within one year of the Liquidation Date. Because CAnb Switzerland will issue Covered Bonds denominated in CHF only, it will not enter into any cross-currency Swaps.

Following a Guarantor Event of Default on the date on which a Guarantor Acceleration Notice is served on the Guarantor (the **GED Guarantee Activation Date**), all Guaranteed Amounts will become immediately due and payable by the Guarantor and, following service of a Notice to Pay for all Guaranteed Amounts by the Trustee on the Guarantor, the Covered Bondholders, represented by the Bondholders' Representative, will have a claim against the Guarantor under the Guarantee for an amount equal to the Early Redemption Amount in respect of each Covered Bond together with accrued and unpaid interest (and certain other amounts due under the Covered Bonds as specified in the Conditions).

Unless and until certain trigger events occur as described in this Base Prospectus (including the occurrence of a Notification Event (i.e. the earlier of the occurrence of an Issuer Event of Default (as defined below) or a Servicing Termination Event (as defined below)) or for so long as a Breach of Test Notice (as defined below) in respect of a breach of the Asset Coverage Test or the Interest Coverage Test has been served on the Issuer and the

Guarantor, which remains outstanding), CANb Switzerland shall be entitled to collect and retain all cash flows from the Cover Pool Assets.

As Originator of the Assigned Mortgage Claims, CANb Switzerland will also continue to service and administer the Mortgage Assets (as defined herein) in accordance with its usual policies and processes until revocation of the relevant authority by the Guarantor.

As of the date of this Base Prospectus, the Guarantor has not appointed any Swap Providers and not entered into any Swap Agreements. See "*Risk Factors—Currency risks and certain risks related to Swap Agreements—As at the date of this Base Prospectus, the Guarantor has not appointed an Initial Swap Provider and has not entered into any Swap Agreements. If an Initial Swap Provider is appointed and the Guarantor enters into Swap Agreements following the date of this Base Prospectus, Covered Bondholders will be exposed to additional risks with respect to the reliance on Swap Providers and the Swap Agreements*".

The Guarantor (or the Cash Manager on its behalf) will be obliged to distribute available funds in accordance with the applicable Priority of Payments as set out in the Guarantee and the Intercreditor Agreement. The obligations of the Guarantor will be limited in recourse to its Available Funds (as defined herein) from time to time, as described in this Base Prospectus. Upon the Cash Manager giving written notice to the Covered Bondholders that it has determined in its sole and absolute opinion that there is no reasonable likelihood of there being any further realisations in respect of the Cover Pool Assets and all other amounts which would be available to pay amounts owing to the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders and all such amounts have been so applied in accordance with the Transaction Documents (as defined herein), the Guarantor shall have no further obligations in respect of any amounts owed which remain unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor (see further Condition 3.3 (*Limited Recourse against the Guarantor*) and Clause 6 of the Guarantee (*Limited Recourse against the Guarantor*), each as set out elsewhere in this Base Prospectus).

For the avoidance of doubt, the Covered Bondholders will continue to have recourse as against the Issuer in respect of any such amounts owing to them, which remain unpaid under the Guarantee.

If CANb Switzerland's Fitch Short-Term Issuer Default Rating falls below 'F1' and its Fitch Long-Term Issuer Default Rating falls below 'A' (a **Liquidity Reserve Trigger Event**), Collected Mortgage Payments will be credited to the Cover Pool Bank Account with a corresponding credit to the Liquidity Reserve Fund on that account in an amount up to the Liquidity Reserve Fund Required Amount. See "*Credit Structure*".

## SUMMARY

*This summary should be read as an introduction to this Base Prospectus and, for purposes of the FinSA, constitutes a summary within the meaning of articles 40(3) and 43 thereof. Any decision to invest in the Covered Bonds should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference herein, as completed, modified, supplemented and/or replaced by the Applicable Final Terms. This summary is therefore qualified in its entirety by the remainder of this Base Prospectus and the Applicable Final Terms.*

*Potential investors in Covered Bonds should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Base Prospectus, as completed, modified, supplemented and/or replaced by the information set out in the Applicable Final Terms.*

*Capitalised terms used in this summary but not defined herein have the meanings assigned to them elsewhere in this Base Prospectus (including the Conditions).*

### Principal Transaction Parties

*The parties set out below may be replaced from time to time*

**Issuer:**..... Crédit Agricole next bank (Suisse) SA

The Issuer was incorporated under Swiss law as a corporation (*société anonyme*) with unlimited duration on 1 December 2000 in Geneva, Switzerland, and was registered with the Commercial Register of the Canton of Geneva under the number CH-660.2.410.000-8 and is now registered under the number CHE-102.383.391. The Issuer's registered and principal executive office is located at Esplanade de Pont-Rouge 4-6, CH-1212 Grand-Lancy, Switzerland; its telephone number is +41 (0)22 737 66 00. See "*Description of CANb Switzerland*".

**Legal Entity Identifier (LEI) Code of the Issuer:** ..... 549300YS0Y8HCSHTHN07

**Guarantor:**..... CANb (Suisse) Hypothèques SA

The Guarantor was incorporated under Swiss law as a corporation (*société anonyme*) with unlimited duration on 11 August 2020 in Geneva, Switzerland, and was registered with the Commercial Register of the Canton of Geneva under the number CHE-437.628.502. The Guarantor's registered and principal executive office is located at c/o Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, CH-1212 Grand-Lancy, Switzerland. See "*Description of the Guarantor*". The Guarantor is a special purpose entity. Pursuant to its Articles of Incorporation, its corporate purpose is limited, to, *inter alia*, the issuance of guarantees for the benefit of holders of covered bonds issued by CANb Switzerland or its affiliates, the acquisition, holding, administration, management and liquidation of mortgage assets and other assets transferred to it as security for the claims acquired by it in connection therewith, as well as activities and transactions ancillary thereto.

The shares of the Guarantor are held by CANb Switzerland (98% of voting rights) and two Independent Shareholders (as defined below) appointed by the Trustee (1% of voting rights each).

**Trustee:** ..... TMF Investments SA

Pursuant to the Trust Agreement, the Issuer and the Guarantor may appoint a Successor Trustee. See "*Overview of Principal*".

*Transaction Documents—Trust Agreement—Termination of appointment and appointment of Successor Trustee".*

- Account Bank: .....** CAnb Switzerland
- If the Account Bank Rating falls below the Minimum Account Bank Rating (see —"*Overview of Ratings and Rating Triggers*" below), the Guarantor shall within 60 calendar days appoint a Replacement Account Bank, obtain a guarantee from a financial institution having a Minimum Account Bank Rating or take any alternative action to the satisfaction of the Rating Agency. See "*Overview of the Principal Transaction Documents—Master Bank Account Agreement—Account Bank Downgrade Event*".
- Administration Services Provider .....** TMF Services SA
- The Administrative Services Provider is a company incorporated in Switzerland under register number CHE-106.263.314 having its registered office at 2, Rue de Jargonnant, CH-1207 Geneva, Switzerland.
- Initial Asset Monitor: .....** KPMG AG
- The Asset Monitor is registered in the commercial register of the Canton of Zurich under the register number CHE-106.084.881. Its registered and principal executive office is located at Badenerstrasse 172, CH-8036 Zurich, Switzerland.
- Assignor: .....** CAnb Switzerland
- Bondholders' Representative .....** TMF Investments SA
- Bondholders' Representative or such other Bondholders' Representative appointed pursuant to the Bondholder Provisions from time to time. If more than one Bondholders' Representative is appointed as successor Bondholders Representative, "Bondholders' Representative" shall mean any Bondholders' Representative so appointed.
- Cash Manager: .....** CAnb Switzerland
- Upon the occurrence of a Cash Manager Downgrade Event, the Guarantor agrees to use its reasonable endeavours to promptly appoint a Replacement Cash Manager who, following a Cash Manager Termination Event, will perform, *inter alia*, the activities performed by the Cash Manager. See "*Overview of the Principal Transaction Documents—Cash Management Agreement—Cash Manager Downgrade Event*".
- Corporate Services Provider: .....** CAnb Switzerland
- Upon the occurrence of certain corporate services termination events pursuant to the Corporate Services Agreement, including but not limited to if the Corporate Services Provider's Fitch Long-Term Issuer Default Rating is downgraded to below "BBB-" the Guarantor may terminate the appointment of the Corporate Services Provider or take other remedial action. See "*Overview of the Principal Transaction Documents—Corporate Services Agreement—Termination*".
- Dealers: .....** Any dealer(s) appointed from time to time by the Issuer either generally for the Programme or in relation to a particular Series or Tranche of Covered Bonds in accordance with the terms of the Programme Agreement.

**Originator:**..... CANb Switzerland

**Principal Paying Agent:** ..... The Principal Paying Agent or any other or successor principal paying agent appointed from time to time in relation to all or any Series of Covered Bonds pursuant to the Agency Agreement and/or a Supplemental Agency Agreement (if any), as set out in the Applicable Final Terms.

**Additional Paying Agent (if any):** ..... Any additional paying agent (if any) appointed from time to time in relation to all or any Series of Covered Bonds pursuant to the Agency Agreement and/or a Supplemental Agency Agreement (if any), as set out in the Applicable Final Terms.

**Rating Agency:**..... Fitch Ratings Limited

Subject to mandatorily applicable provisions of Swiss law applicable at the relevant time, the Issuer may, without the consent or sanction by any Covered Bondholder or any other Secured Creditor (i) remove a Rating Agency from rating any Series of Covered Bonds, and/or (ii) appoint (or reappoint) a Rating Agency to rate a Series of Covered Bonds, provided that, in each case and at all times, such Series of Covered Bonds continues to be rated by at least one Rating Agency (which qualifies for purposes of the inclusion of the Covered Bonds in the Swiss Bond Index (SBI) by SIX).

**Servicer:** ..... CANb Switzerland

Upon the occurrence of a Servicing Termination Event, including if a Servicer's Fitch Long-Term Issuer Default Rating falls below 'BBB-', the Assignee shall use its reasonable endeavours to appoint a Replacement Servicer. See "*Overview of the Principal Transaction Documents—Security Assignment Agreement—Appointment of Replacement Servicer*").

**Arranger:** ..... Any entity appointed as an arranger for the Programme and/or in respect of any particular issue of Covered Bonds under the Programme.

**Swap Provider:**..... As at the date hereof, no Swap Provider(s) have been appointed.

## Covered Bonds and Programme

**Description:** ..... CHF 2 billion Covered Bond Programme

**Risk Factors:** ..... There are certain factors that may affect the Issuer's and/or Guarantor's ability to fulfil its obligations under the Covered Bonds issued under the Programme or the Guarantee, as the case may be (see "*Risk Factors*").

**Programme Description:** ..... Programme for the issue of Covered Bonds by the Issuer to Covered Bondholders on each Issue Date.

**Mortgage Bond Act does not apply:** ..... Neither the Covered Bonds nor the Guarantee benefit from any security attached to mortgage bonds under the Mortgage Bond Act (*loi sur l'émission de lettres de gage*). Accordingly, Covered Bondholders do not benefit from any of the protections under the Mortgage Bonds Act. Neither CANb Switzerland nor the Guarantor is

subject to supervision by the Swiss Financial Market Supervisory Authority (**FINMA**) under the Mortgage Bond Act in relation to the issue of the Covered Bonds and the Guarantee.

**Programme Size:** ..... Up to CHF 2 billion outstanding at any time as described herein. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Method of Issue:** ..... The Covered Bonds will be issued on a syndicated or non-syndicated basis. The Covered Bonds will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms and conditions of each Tranche of Covered Bonds will consist of the Conditions, as completed, supplemented, amended and/or replaced by the Applicable Final Terms.

**Selling Restrictions:** ..... The Covered Bonds are subject to restrictions on their offering, sale, delivery and transfer both generally and specifically in the United States, the European Economic Area and the United Kingdom. These restrictions are described under "*Selling Restrictions*". Further restrictions may be required in connection with particular Series or Tranches of Covered Bonds, and, if so, will be, together with information on the particular offering, specified in the documentation relating to the relevant Series or Tranche of Covered Bonds and, in particular, the respective Applicable Final Terms.

**Specified Currency:** ..... Covered Bonds will be denominated in Swiss francs (the **Specified Currency**).

**Maturities:** ..... Covered Bonds will be issued with such Final Maturity Dates as may be agreed from time to time between the Issuer and the relevant Dealer(s) as specified in the Applicable Final Terms.

Covered Bonds issued under the Programme will have soft bullet maturities that allow, under certain conditions, payment by the Guarantor of Guaranteed Amounts equal to the Final Redemption Amount of the applicable Series of Covered Bonds on their Final Maturity Date to be deferred, in part or in full, until the Extended Due for Payment Date (see "*—Guarantee and Guarantee Support—Extendable obligations under the Guarantee*").

**Redemption:** ..... Covered Bonds may be redeemed at par or at such other redemption amount above or below par as may be agreed by the Issuer and the relevant Dealer(s), as specified in the Applicable Final Terms.

**Issue Price:**..... Covered Bonds may be issued at par or at a discount or premium to par and on a fully-paid basis only, as specified in the Applicable Final Terms.

**Interest Payment Dates:** ..... Interest in respect of Covered Bonds shall be payable on the Covered Bonds of each Series on the Interest Payment Dates agreed by the Issuer and the relevant Dealer(s) and up to and including the Final Maturity Date or the Extended Due for Payment Date (if applicable), each as specified in and subject to the Applicable Final Terms. The Issuer and the relevant Dealer(s) may agree that interest shall be payable monthly, quarterly, semi-annually, annually or otherwise, as specified in the Applicable Final Terms.



<b>Interest:</b> .....	<p>Covered Bonds will bear interest at a fixed rate.</p> <p>Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.</p>
<b>Form of Covered Bonds:</b> .....	<p>Each Series or Tranche of Covered Bonds will be issued as uncertificated securities (<i>droits-valeurs</i>) in accordance with art. 973c CO and entered into the main register (<i>registre principal</i>) with SIX SIS AG or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS AG or any such other intermediary, the <b>Intermediary</b>). Once the uncertificated securities are registered in the main register of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Covered Bonds will constitute intermediated securities (<i>titres intermédiés</i>) within the meaning of the FISA (<b>Intermediated Securities</b>).</p> <p>No individually certificated Covered Bonds (<i>papiers-valeurs</i>) will be printed or delivered. None of the Issuer, the Covered Bondholders, the Principal Paying Agent, the Guarantor or any other party will at any time have the right to effect or demand the conversion of such Covered Bonds into, or the delivery of, a permanent global certificate (<i>certificat global</i>) or individually certificated securities (<i>papiers-valeurs</i>).</p>
<b>Other Covered Bonds.</b> .....	<p>Subject to compliance with all relevant legal, regulatory and/or central bank requirements, Covered Bonds may be issued with such other terms and conditions not currently contemplated as may be agreed by the Issuer and the relevant Dealer(s), which terms and conditions will be specified in the Applicable Final Terms.</p>
<b>Denominations:</b> .....	<p>CHF 5,000 (and any integral multiples thereof).</p>
<b>Swiss Withholding Tax:</b> .....	<p>Payments of interest in respect of the Covered Bonds (periodic payments, original issue discount and premium upon redemption) and payments of corresponding Guaranteed Amounts under the Guarantee will be subject to Swiss federal withholding tax, currently at the rate of 35 per cent., as further specified herein (see "<i>Taxation in Switzerland – Taxation of the Covered Bonds – Swiss Federal Withholding Tax</i>"). Neither the Issuer nor the Guarantor will be obliged to pay any additional amounts with respect to the deduction of such withholding tax.</p>
<b>Swiss Stamp Tax:</b> .....	<p>The issuance of Covered Bonds on the relevant Issue Date (primary market) will not be subject to Swiss federal stamp duty on the turnover of securities (<i>droit de timbre de négociation</i>). Subsequent dealings in Covered Bonds in the secondary markets may be subject to this tax at an aggregate rate of up to 0.15 per cent. as further specified herein (see "<i>Taxation in Switzerland – Taxation of the Covered Bonds – Swiss Federal Withholding Tax</i>").</p>
<b>Use of Proceeds</b> .....	<p>The net proceeds from each issuance of Covered Bonds will be used by the Issuer for (i) its general corporate purposes or (ii) such other purposes as specified in the Applicable Final Terms. The proceeds from any Green Covered Bond will be used in accordance with the Green Bond Framework. See also "<i>Use of Proceeds</i>".</p>

<b>Cross Default:.....</b>	<p>None of the Covered Bonds will accelerate automatically on an Issuer Event of Default or a Guarantor Event of Default.</p> <p>The Covered Bonds of all Series will accelerate following a failure to pay (subject to applicable grace periods) by the Issuer in respect of any Series (or the occurrence of any other Issuer Event of Default) if the Bondholders' Representative serves an Issuer Default Notice on the Issuer pursuant to Condition 9.1 (<i>Events of Default relating to the Issuer</i>).</p> <p>Upon receipt of the Issuer Default Notice by the Issuer, the Covered Bonds of all Series shall, in relation to the Issuer only, thereupon immediately become due and repayable at their Early Redemption Amount together with accrued interest. The Trustee shall forthwith serve on the Guarantor and the Issuer a Guarantee Activation Notice and an initial and subsequent Notice(s) to Pay.</p>
<b>Early Redemption:.....</b>	<p>Pursuant to Condition 6 (<i>Redemption and Purchase</i>), early redemption of the Covered Bonds will be permitted (i) upon the occurrence of a Regulatory Event, (ii) for taxation reasons, (iii) if Investor Put is specified in the Applicable Final Terms and, (iv) at the option of the Issuer or a Covered Bondholder on terms as may be agreed by the Issuer and the relevant Dealer(s) and specified in the Applicable Final Terms (subject to all relevant legal, regulatory and/or central bank requirements).</p>
<b>Status and Ranking: .....</b>	<p>The Covered Bonds will be direct, unsubordinated and (other than in relation to the Guarantee) unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves.</p> <p>The payment obligations of the Issuer under the Covered Bonds will at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.</p>
<b>Series and Tranches:.....</b>	<p>The Covered Bonds will be issued in Series and/or Tranches as specified in the Applicable Final Terms.</p>
<b>Date and Approval of Programme:</b>	<p>This Base Prospectus is dated and has been approved by the Swiss Review Body as a base prospectus within the meaning of article 45 of the FinSA on 28 July 2023.</p> <p>In respect of any Tranche of Covered Bonds to be issued during the 12 months from the date of this Base Prospectus, this Base Prospectus (as amended or supplemented as of the date of the Applicable Final Terms), together with the Applicable Final Terms, will constitute the prospectus for purposes of the FinSA.</p> <p>On or after the date of this Base Prospectus, in the case of any Tranche of Covered Bonds to be publicly offered in Switzerland and/or with respect to which application will be made to admit such Covered Bonds to trading on SIX Swiss Exchange, the Applicable Final Terms will be filed with the Swiss Review Body and published in accordance with the FinSA as soon as the final terms of such Covered Bonds are available, but, in the case of an admission to trading, in any case no later than the first day of trading for such Covered Bonds on SIX Swiss Exchange. The Applicable Final Terms for such Covered Bonds will not be reviewed or approved by the Swiss Review Body.</p>
<b>Admission to Trading and Listing and/or Quotation:.....</b>	<p>Each Tranche of Covered Bonds may be admitted to trading and/or listed on SIX Swiss Exchange or may be unlisted. A Tranche of Covered Bonds may also be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or</p>

quotation system as may be agreed between the Issuer and the relevant Dealer(s). The specific terms of any admission to trading and listing of any Tranche of Covered Bonds will be set out in the Applicable Final Terms. The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any market.

**Prospectus:** ..... Covered Bonds issued under the Programme may be issued pursuant to this Base Prospectus, including Documents Incorporated by Reference and any amendments or supplements thereto as well as the Applicable Final Terms.

**Governing Law:** ..... Except as otherwise stated below, all Transaction Documents, including the Conditions and the Guarantee shall be governed by and construed in accordance with the substantive laws of Switzerland.

The Swap Agreements (if any) will be governed by, and construed in accordance with, English law.

**Jurisdiction:**..... The exclusive place of jurisdiction for any dispute, claim or controversy related to each Transaction Document, including the Conditions and the Guarantee, shall be the courts of the Republic and Canton of Geneva, Switzerland.

**Clearing Systems:**..... SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland (**SIX SIS**) or any other and/or any other agreed clearing system as specified in the Applicable Final Terms.

## **Guarantee and Guarantee Support**

**Guarantee:** ..... Upon the occurrence of an IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date) and following the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amount, the Guarantor, as an independent obligation, irrevocably undertakes to the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, to pay such Guaranteed Amounts Due for Payment in relation to the relevant outstanding Series of Covered Bonds subject to and in accordance with the Guarantee Priority of Payments solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders, subject to deferral, in part or in full, of Guaranteed Amounts equal to the Final Redemption Amounts until the Extended Due for Payment Date, subject to certain conditions (see "*Extendable obligations under the Guarantee*").

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer has agreed that it will pre-fund or reimburse or indemnify all Guarantee Expenses (consisting of, *inter alia*, of all sums (including Guaranteed Amounts) paid or payable by the Guarantor under the Guarantee upon receipt of a Notice to Pay and certain increased amounts due by the Guarantor resulting from Third Party Service Providers being appointed to replace CANb Switzerland, if CANb Switzerland ceases to be eligible to provide those services) by making a corresponding payment to the Guarantor in advance of the relevant Guaranteed Amounts falling Due for Payment.

To secure, *inter alia*, its Pre-funding Obligations described above, the Issuer has agreed, pursuant to the Security Assignment Agreement, to, *inter alia*, assign for security purposes to the Guarantor eligible claims relating to a portfolio of predominantly residential mortgage agreements (the **Assigned Mortgage Claims**) and transfer to the Guarantor entitlement to the related mortgage certificates on

predominately residential properties located in Switzerland as well as transfer as collateral certain Substitute Assets. Because recourse under the Guarantee will be limited to Available Funds of the Guarantor from time to time, subject to the applicable Priority of Payments, the ability of the Guarantor to make payments under the Guarantee will ultimately depend on the Assigned Mortgage Claims, Transferred Mortgage Certificates and Substitute Assets assigned or transferred to the Guarantor for security purposes.

Payments of the Guarantor under the Guarantee will be made subject to the Guarantee Priority of Payments or the Post-Insolvency Priority of Payments, as applicable and will be made directly to the Principal Paying Agent for distribution to the Covered Bondholders.

See the Guarantee set out in full under "*The Guarantee*" below.

**Status of the Guarantee:.....** The obligations of the Guarantor under the Guarantee are direct, unsecured, unsubordinated and, following the Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amounts, unconditional (save for certain obligations required to be preferred by law) and will rank *pari passu* and at least equally with all other present and future, unsecured and unsubordinated obligations of the Guarantor.

**Extendable obligations under the Guarantee: .....** The obligations of the Guarantor under the Guarantee to pay the Guaranteed Amounts equal to the Final Redemption Amount of the applicable Series of Covered Bonds on their Final Maturity Date may be deferred, in full or in part, until the Extended Due for Payment Date. See clause 5 (*Extended Due for Payment Date*) of the Guarantee.

**Nature of eligible assets: .....** Mortgage Assets and Substitute Assets (each as defined below) up to the prescribed limit

**Location of eligible residential property underlying residential mortgage claims: .....** Switzerland

## Asset Monitoring

**Maximum LTV given credit under the Asset Coverage Test: .....** 80%.

**Maximum Asset Percentage:.....** 95%.

**Servicing: .....** Pursuant to the Security Assignment Agreement, CANb Switzerland as Servicer shall continue, subject to revocation of the authorisation upon a Servicing Termination Event, to service and administer the Serviced Mortgage Assets, *inter alia*, in accordance with the Servicing Standards.

## Swaps

As at the date of this Base Prospectus, no Initial Swap Provider(s) have been appointed. The Guarantor has not entered into any Swap Agreements and will not enter into any cross-currency Swap Agreements. See "*Risk Factors—Currency risks and certain risks related to Swap Agreements— As at the date of this Base Prospectus, the Guarantor has not appointed an Initial Swap Provider and has not entered into any Swap Agreements. If an Initial Swap Provider is appointed and the Guarantor enters into Swap Agreements following the date of this Base*

Prospectus, Covered Bondholders will be exposed to additional risks with respect to the reliance on Swap Providers and the Swap Agreements".

**Cash Flows**

**Guarantor Accounts and Priority of Payments: .....**

Prior to the occurrence of a Notification Event, the Assignor will generally be entitled to receive and retain all Collected Mortgage Payments for its own benefit and no cash flows will run through the Guarantor.

Upon the earlier to occur of an IED Guarantee Activation Date and service of a Notice to Pay or a GED Guarantee Activation Date, cash flows will run through the Guarantor and will be applied in accordance with the relevant Priority of Payments.

Pursuant to the Guarantee Mandate Agreement, the Issuer will pay a Guarantee Fee to the Guarantor as consideration for issuing the Guarantee and the Guarantor will pay the Collateral Differential to the Issuer as consideration for providing collateral.

See "Cash Flows" below.

**Pre-Guarantee Priority of Payments: .....**

See "Cash Flows—Allocation and distribution of amounts prior to the Guarantee Activation Date—Pre-Guarantee Priority of Payments".

**Guarantee Priority of Payments:..**

See "Cash Flows—Allocation and distribution of amounts following the IED Guarantee Activation Date—Guarantee Priority of Payments".

**Post-Insolvency Priority of Payments: .....**

See "Cash Flows—Allocation and distribution of amounts following the GED Guarantee Activation Date—Post-Insolvency Priority of Payments".

**Limited Recourse and non-petition: .....**

The Guarantee and the Guarantor's obligations under the Transaction Documents will constitute limited recourse obligations of the Guarantor.

All payments under the Transaction Documents will be payable to the parties thereto only from Available Amounts after giving effect to the applicable Priority of Payments.

With respect to the parties to the Transaction Documents, each Transaction Document provides that none of the parties shall for so long as any Covered Bonds are outstanding and until the expiry of a period ending 366 days after the date on which all potential liabilities secured by the Guarantee have been discharged or satisfied in full:

- (a) take any legal steps nor institute any legal proceedings against the Guarantor or its assets or corporate bodies for the purpose of asserting or enforcing any of its rights or claims against the Guarantor; in particular, it will not:
  - (i) file a request for payment (*réquisition de poursuite*) under the DEBA or otherwise initiate any debt collection, attachment or enforcement proceedings against the Guarantor or support any such proceedings; or
  - (ii) initiate any arbitration, court, administrative or other proceedings against the Guarantor, its assets or executive bodies, or support any such proceedings, except for any such action (x) solely seeking declaratory relief without requesting the adjudication of damages, or (y) solely seeking specific performance of the Guarantor's obligations under the Transaction Documents to serve Pre-funding Notices and/or Recourse Notices; or

- (iii) without prejudice to the netting provisions expressly provided for in any Swap Agreement (if any), exercise any right of set-off;
- (b) take any steps nor institute any proceedings to procure or initiate the bankruptcy, winding up, liquidation, restructuring, administration or any similar procedure in respect of the Guarantor, and, in particular, it will not initiate or support any Insolvency Proceedings against the Guarantor; and
- (c) other than by virtue of filing any of its claims in an insolvency of the Guarantor, it will not claim, rank, prove or vote as creditor of the Guarantor or its estate in competition with any prior ranking creditors in the relevant Priority of Payments until all amounts then due and payable to creditors who rank higher in the relevant Priority of Payments have been paid in full,

provided, however, that Sub-clauses (a)(i) and (ii) as well as Sub-clause (b) shall become inapplicable if the Guarantor is adjudicated bankrupt by a competent Swiss court.

There is no guarantee that a court would grant any such relief (the award of specific performance in particular being subject to the court's discretion and granted only if it determines that other remedies are not available) or that receipt of declaratory judgment would procure enforcement of the relevant obligation by the Guarantor. See also clause 6 (*Limited Recourse against the Guarantor*) and clause 11 (*Non-Petition*) of the Guarantee set out in full in "*The Guarantee*" and "*Risk Factors—Risks relating to the Programme legal and regulatory matters—Insolvency proceedings and subordination provision*".

## Overview of Ratings and Rating Triggers

**Ratings:** ..... Covered Bonds to be issued under the Programme are at the time of issue expected to be rated "AAA" by Fitch. The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the Applicable Final Terms. See also "*Risk Factors—Risks relating to the Covered Bonds—Credit ratings may not reflect all risks*".

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, modification or withdrawal at any time.

**Rating Triggers:** ..... As described further in this Base Prospectus, and in each case subject to any Rating Agency Confirmation to the contrary, certain consequences will arise as a result of the occurrence of relevant rating triggers. Set out below is a summary list of these rating triggers:

<b>Rating Trigger</b>	<b>Consequence</b>
<p>If the Account Bank rating falls below Minimum Account Bank Rating. Minimum Account Bank rating means, in relation to the Account Bank:</p> <ul style="list-style-type: none"> <li>• If Account Bank deposit rating is available: <i>Either</i> a short-term deposit rating of 'F1' by Fitch <i>or</i> a long term deposit rating of 'A' by Fitch.</li> </ul>	<p>Account Bank to be replaced or guaranteed or other actions taken to the satisfaction of the Rating Agency.</p>

- If Account Bank deposit rating is not available:  
*Either* a Fitch Short-Term Issuer Default Rating of 'F1'  
*or* a Fitch Long-Term Issuer Default Rating of 'A'

Issuer's Fitch Short-Term Issuer Default Rating falls below 'F1' and its Fitch Long-Term Issuer Default Rating falls below 'A'	Liquidity Reserve Trigger Event
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Upon Issuer Event of Default or Servicing Termination Event	Notification Event.
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Corporate Services Provider's Fitch Long-Term Issuer Default Rating falls below 'BBB-'	Termination of Corporate Services Provider.
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Cash Manager's Fitch Long-Term Issuer Default Rating falls below 'BBB-'	Termination of Cash Manager.
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Servicer's Fitch Long-Term Issuer Default Rating falls below 'BBB-'	Termination of Servicer.
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## **RISK FACTORS**

*The Issuer believes that the risks described below may affect its ability to fulfil its obligations under Covered Bonds issued under the Programme and/or the Guarantor's ability to fulfil its obligations under the Guarantee and could be material for the purpose of assessing the market risks associated with the Covered Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Covered Bonds issued under the Programme are described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Covered Bonds issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Covered Bonds or the Guarantee, as applicable, may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them and which they may not currently be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding any Covered Bonds are exhaustive. Additional risks and uncertainties that the Issuer and the Guarantor are unaware of, or that they currently deem to be immaterial, may also become important risk factors that affect them.*

*Prospective investors should carefully read and consider the risks and uncertainties described below together with all other detailed information contained elsewhere and incorporated by reference in this Base Prospectus and reach their own view, based upon their own judgment and upon advice from such financial, legal and tax advisers as they have deemed necessary, before making any investment decision.*

### **RISKS RELATING TO CAnb SWITZERLAND**

#### ***Risks relating to financial markets, economic conditions generally, geopolitical events and other developments, including pandemic context***

CAnb Switzerland's business is affected by conditions in the financial markets, economic conditions generally, geopolitical events (including the escalating conflict between Russia and Ukraine that could lead to regional and/or global instability, as well as adversely affect commodity and other financial markets or economic conditions, and for which the US, EU, the UK, Switzerland and other countries have imposed, and may further impose, financial and economic sanctions and export controls targeting certain Russian entities and/or individuals, and CAnb Switzerland may face restrictions on engaging with certain consumers and/or institutional businesses due to any current or impending sanctions and laws (including Russian countermeasures), which could adversely affect the CAnb Switzerland's business) and other developments particularly in Switzerland but also in neighbouring countries. The low interest rate environment has eroded CAnb Switzerland's net interest income. Nevertheless, client deposits have steadily increased. Furthermore, major central banks have begun increasing interest rates in response to rising inflation concerns; these existing and future changes in interest rates in Switzerland could adversely affect its businesses and results.

In the image of COVID-19 pandemic, the spread of pandemic context could result in tight government controls and containment measures implemented around the world have caused severe disruption to the Swiss and global supply chains, labour market and economic activity which have contributed to rising inflationary pressure and the spikes in market volatility. Equity market volatility has decreased during 2021 compared to previous year despite ongoing concerns surrounding the spread of COVID-19. The spread of any pandemic could have an adverse impact on the Swiss and global economy, the severity and duration of which is difficult to predict, and may adversely affected CAnb Switzerland's business, operations and financial performance, and the economic environment may experience further volatility, increased inflation or other negative economic impacts depending on the longevity and severity of any pandemic. These impacts may continue to adversely affect CAnb Switzerland's business as well as CAnb Switzerland's ability to successfully realize its strategic objectives. Should current economic conditions persist or continue to deteriorate, the macroeconomic environment could have a continued adverse effect on the aspects outlined herein and on other aspects of CAnb Switzerland's business, operations and financial performance, including decreased client activity or demand for its products, disruptions to its workforce or operating systems, possible constraints on capital and liquidity. See also "—A pandemic context, such as the former COVID-19, may adversely affect the creditworthiness of the Mortgage Debtors and their ability to



*reimburse mortgage loans as well as the value of the mortgaged properties and the Swiss mortgage market generally".*

The extent of the adverse impact of the pandemic on the global economy and markets will depend, in part, on the measures taken to limit the spread of the virus and counter its impact and, in part, on the size and effectiveness of the compensating measures taken by governments and how quickly and to what extent normal economic and operating conditions can resume. To the extent the COVID-19 pandemic continues to adversely affect the Swiss and global economy, and/or adversely affects CANb Switzerland's business, results of operations and financial condition, it may also have the effect of increasing the likelihood and/or magnitude of other risks described herein, or may pose other risks not presently known to CANb Switzerland or not currently expected to be significant to its business, operations or financial performance.

CANb Switzerland continues to closely monitor the potential adverse effects and impacts of COVID-19 and the current geopolitical events (including the escalating conflict between Russia and Ukraine) on its operations, businesses and financial performance, including liquidity and capital usage, though the extent of the impact is difficult to fully predict at the date of this Base Prospectus due to the continuing evolution of this uncertain situation.

### ***CANb Switzerland is controlled by and depends on Crédit Agricole Group***

CANb Switzerland is wholly owned by the CANb Shareholders, which are members of the Crédit Agricole Group, and a majority of the members of CANb Switzerland's Board of Directors are representatives of the CANb Shareholders. As a result, the CANb Shareholders are able to exercise control over CANb Switzerland. If circumstances were to arise where the interest of the CANb Shareholders conflict with the interests of the Covered Bondholders, Covered Bondholders could be disadvantaged if the CANb Shareholders seek to take actions contrary to Covered Bondholders' interests.

As at the date of this Base Prospectus, CANb Switzerland has been inter alia financed by way of equity contributions by the CANb Shareholders, who, regardless of such past contributions, have no legal or contractual obligation to continue to provide funding and capital to CANb Switzerland.

Because the Covered Bonds and the Guarantee are obligations solely of the Issuer and the Guarantor, respectively, and will not be guaranteed or the responsibility of any of the CANb Shareholders or any other Crédit Agricole Group company and because there is no obligation of the CANb Shareholders to continue to finance CANb Switzerland, CANb Switzerland may be unable to obtain additional financing at commercially acceptable conditions and may, therefore, be unable to pay any amounts due to Covered Bondholders.

### ***Risks relating to additional capital needs***

CANb Switzerland's capital requirements depend on many factors, including its operational results, its ability to generate new business successfully, regulatory changes to capital requirements or other regulatory developments. CANb Switzerland may have to raise additional capital or funds in the future (e.g. from its shareholders).

### ***Liquidity risks***

Liquidity risk is the risk that CANb Switzerland may not be able to anticipate and provide for unforeseen decreases or changes in funding sources or generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Liquidity could be affected by unexpected withdrawal of client deposits, the inability to access the long-term or short-term debt markets whether due to factors specific to CANb Switzerland or to general market conditions. CANb Switzerland's liquidity is critical to its ability to operate its business, to grow and be profitable. If CANb Switzerland does not effectively manage its liquidity, its business, results of operations and financial condition could be negatively affected.

### ***Competition risks***

CANb Switzerland operates mostly in Switzerland, with a focus in the French-speaking part of Switzerland, which is a highly competitive environment and where competitive conditions are expected to intensify. In addition, the impact of COVID-19 on evolving workforce norms, practices and expectations, as well as persistent labour shortages, could adversely affect the CANb Switzerland's ability to recruit and retain employees. CANb Switzerland's ability to compete depends on many factors, including its reputation, the quality of its services

and advice, brand recognition, product innovation and pricing, execution ability, sales efforts, personal relationships and the talent of its employees. The significant and increasing competition on the basis of such factors may adversely affect CAnb Switzerland's business.

CAnb Switzerland also competes with the retail banking divisions of a number of large international financial institutions as well as with established local and regional competitors. A number of CAnb Switzerland's competitors are able to offer more comprehensive lines of products and services than CAnb Switzerland, which may adversely affect CAnb Switzerland's ability to attract or retain client relationships.

In addition, increased regulatory requirements and developments in IT require significant investments of time and resources. This implies a continuous performance monitoring of the IT services received. If CAnb Switzerland's competitors are more efficient at incorporating such changes and developments, CAnb Switzerland's competitive position may deteriorate. Furthermore, enhancements in IT may result in a decrease of reliance (as well as margins) on traditional retail banking services, which could have an adverse impact on CAnb Switzerland's business. The occurrence of any of the above identified risks could have a material adverse effect on CAnb Switzerland's business, results of operations and financial condition.

### ***Counterparty risks***

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent to CAnb Switzerland's business. CAnb Switzerland has monetary and securities claims under numerous transactions against customers, debtors and other contractual parties. Such third-party debtors may not pay or perform under their obligations. Third-party debtors may include borrowers under loans granted (that may or may not be secured by financial collateral or real estate), customers, counterparties under swaps and other financial intermediaries. Due to its business activities, CAnb Switzerland is primarily exposed to credit risks from customer loans. While CAnb Switzerland manages its counterparty and credit risk exposure through certain risk exposure limits (e.g. customer creditworthiness and maximum loan-to-value ratios of the collateral), diversification (e.g. risk distribution in terms of geographic concentration, clients and object types repartitions) and various monitoring mechanisms (e.g., periodic valuation reviews as well as assessing customer- and collateral-related events), in light of the possible general economic downturn as a result of a possible pandemic context (including disruptions to economic activity and global supply chains, labour shortages, wage pressures and rising inflation), the uncertain development of capital markets and comparable influencing factors, an increase in defaults by third-party debtors may occur. This increase in defaults may translate into potential losses and could have a detrimental effect on the business, results of operations and financial condition of CAnb Switzerland.

### ***Risks relating to the implementation of CAnb Switzerland's strategy***

CAnb Switzerland has set itself strategic, financial and operational targets. Its achievements remain subject to uncertainty and could incur higher costs, require more management resources than expected or may not be implemented successfully. CAnb Switzerland's strategic objectives are based on a number of key assumptions regarding the future economic environment, the economic growth of Switzerland and the neighbouring countries, the regulatory landscape, CAnb Switzerland's ability to meet certain financial goals, anticipated interest rates and central bank action, among other things. If any of these assumptions prove inaccurate in whole or in part, its ability to achieve some or all of the expected benefits of its strategy could be limited, including its ability to generate structural cost savings, fund growth investments, retain key employees, or achieve its other goals, such as those in relation to the increase in its income or cost savings.

Factors beyond CAnb Switzerland's control, including but not limited to market and economic conditions, changes in laws, rules or regulations and other challenges and risk factors discussed herein, could limit its ability to achieve some or all of the expected benefits of its strategy. In addition, the implementation of CAnb Switzerland's strategy may increase its exposure to certain risks, including but not limited to credit risks, market risks, operational risks and regulatory risks. Finally, changes to the organizational structure of CAnb Switzerland's business, as well as changes in personnel and management, may lead to temporary instability of its operations. If CAnb Switzerland is unable to implement its strategy successfully in whole or in part or should the components of the strategy that are implemented fail to produce the expected benefits, its business, results of operations and financial condition could be materially and adversely affected.

### ***Reputational risks***

Reputational risks refer to, inter alia, the risk of failure to meet stakeholder (e.g., clients, regulators and the general public) expectations as a result of any event, behaviour, action or inaction, either by CAnb Switzerland, its employees or those with whom it is associated, that might cause stakeholders to form a negative view of CAnb Switzerland. Equally, public opinion on CAnb Switzerland may be adversely affected by the actual, or perceived, manner in which CAnb Switzerland conducts its business activities, or financial performance, as well as actual or perceived practices in the banking and financial services industry generally. Modern IT technologies, in particular, online social media channels and other broadcast tools which facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the impact of damaging information and allegations. Negative views of stakeholders or negative public opinion may have both financial and non-financial impacts, such as a decrease in the value of the 'CAnb Switzerland' brand and adverse effects on CAnb Switzerland's ability to keep and attract customers and retain motivated staff, and could have material adverse effects on CAnb Switzerland's business, results of operations and financial condition.

### ***Risk of attracting and retaining key personnel***

CAnb Switzerland's continued success depends on the retention of key members of its management team and wider employee base. The ability to continue to attract, train, motivate and retain highly qualified and capable professionals is a key element to successfully implement CAnb Switzerland's strategy. If CAnb Switzerland fails to staff its operations appropriately or loses one or more of its key members of its management team, or fails to replace them in a satisfactory and timely manner, this could place CAnb Switzerland at a significant competitive disadvantage, which could have material adverse effects on CAnb Switzerland's business, results of operations and financial condition.

### ***Operational risks***

Operational risks and losses can result from adequate or failed internal processes, fraud or errors by employees, such as failure to document transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements and conduct of business rules, IT system and equipment failures, from external causes such as natural disasters or the failure of third party systems, for example, those of CAnb Switzerland's suppliers or counterparties or from delays due to internal or external factors such as for example delays in the delivery of some of the bank's digital developments/products. For example, remote working may require the CAnb Switzerland's employees to use third party technology, which may not provide the same level of information security as the CAnb Switzerland's own information systems. Although CAnb Switzerland has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures, which are fully effective in controlling each of the operational risks. Because of the broad spectrum of operational risks, the realization of one of these risks could have a material adverse effect on CAnb Switzerland's business, results of operations and financial condition.

### ***Operational risks due to the change of CAnb Switzerland's core banking system and outsourcing of IT infrastructure did not materialise***

CAnb Switzerland replaced its previous core banking system with a core banking system supplied by Avaloq and outsourced its IT infrastructure to Swisscom. This IT roll-out project commenced in 2021 and is effective since May 2022.

The change of the core banking system and outsourcing of IT infrastructure is expected to yield significant benefits over time. There is a risk that the planned benefits cannot be realised in full or as quickly as initially planned.

### ***Cyber security risks***

CAnb Switzerland's operations rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. Although CAnb Switzerland takes protective measures and endeavours to modify them as circumstances warrant, its computer systems, its software and networks may be vulnerable to unauthorized access (from within its organization or by third parties), computer viruses or other malicious code and other cyber threats that could have a security impact. Cyber-attacks, in particular, have become

far more prevalent in the past few years, leading potentially to the theft or manipulation of confidential, personal or proprietary information or loss of access to, or destruction of, data on CAnb Switzerland's systems.

Given the volume of transactions CAnb Switzerland processes, its number of clients, partners and counterparties with which CAnb Switzerland does business, and the increasing sophistication of cyber-attacks, a cyber-attack could occur without detection for an extended period of time. In addition, CAnb Switzerland expects that any investigation of a cyber-attack will be inherently unpredictable and it may take time before any investigation is complete. During such time, CAnb Switzerland may not know the extent of the harm or how best to remediate it and certain errors or actions may be repeated or compounded before they are discovered and rectified, all or any of which would further increase the costs and consequences of a cyber-attack.

If any of CAnb Switzerland's systems does not operate properly or is compromised as a result of cyber-attacks, security breaches, personal data breaches, unauthorized access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact, CAnb Switzerland could, among other things, be subject to litigation or suffer financial loss not covered by insurance, a disruption of its businesses, liability to its clients, employees, counterparties or other third parties, regulatory intervention or reputational damage. Any such event could also require CAnb Switzerland to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. The occurrence of any of the above identified risks could have a material adverse effect on CAnb Switzerland's business, results of operations and financial condition.

### ***Regulatory Risks***

CAnb Switzerland expects to face increasingly extensive and complex regulation and regulatory scrutiny from regulatory authorities. In recent years, costs related to compliance with these requirements and the penalties and fines sought and imposed on the financial services industry by regulatory authorities have increased significantly. CAnb Switzerland expects such increased regulation to continue to increase its costs, including, but not limited to, costs related to compliance, systems and operations. These regulations may affect CAnb Switzerland's activities, including through the application of increased capital or enhanced leverage and liquidity requirements, the implementation of additional capital surcharges for risks related to operational, litigation, regulatory and similar matters, customer protection and market conduct regulations and direct or indirect restrictions on the businesses in which it may operate or invest. Such limitations can have a negative effect on CAnb Switzerland's business and its ability to implement strategic initiatives.

Moreover, as a number of these requirements are currently being finalized, their regulatory impact may further increase in the future and their ultimate impact cannot be predicted at this time. In addition, the ongoing implementation of derivatives regulation, and other regulatory developments, have imposed, and will continue to impose, new regulatory duties on certain of CAnb Switzerland's operations. Additionally, implementation of Capital Requirements Regulation (CRD V), the Investment Firm Regulation and Directive (IFD/IFR), the Markets in Financial Instruments Directive (Directive 2014/65/EU) (MiFID II), and the Markets in Financial Instruments Regulation (MiFIR) and their Swiss counterpart, the FinSA, and other reforms may negatively affect CAnb Switzerland's business activities. Whether or not the FinSA, together with supporting or implementing ordinances and regulations, will be deemed equivalent to MiFID II, currently remains uncertain. Swiss banks, including CAnb Switzerland, may accordingly be limited from participating in certain businesses regulated by MiFID II.

CAnb Switzerland expects the financial services industry to continue to be affected by the significant uncertainty over the scope and content of regulatory reform in 2023 and beyond. Changes in laws, rules or regulations, or in their interpretation or enforcement, or the implementation of new laws, rules or regulations, may adversely affect CAnb Switzerland's business, results of operations and financial condition.

### ***Risks related to Swiss resolution proceedings and resolution planning requirements***

Pursuant to Swiss banking laws, FINMA has broad powers and discretion in the case of resolution proceedings with respect to a Swiss bank, such as CAnb Switzerland. These broad powers include the power to open restructuring proceedings with respect to CAnb Switzerland and, in connection therewith, cancel the outstanding equity of the entity subject to such proceedings, convert such entity's debt instruments and other liabilities into equity and/or cancel such debt instruments and other liabilities, in each case, in whole or in part, and stay (for a maximum of two business days) certain rights under contracts to which such entity is a party, as well as the power to order protective measures, including the deferral of payments, and institute liquidation

proceedings with respect to CAnb Switzerland. The scope of such powers and discretion and the legal mechanisms that would be utilized are subject to development and interpretation.

#### ***Risks related to changes in monetary policy***

CAnb Switzerland is affected by the monetary policies adopted by the central banks and regulatory authorities of Switzerland. The actions of the Swiss National Bank (SNB) and other central banking authorities directly impact CAnb Switzerland's cost of funds for lending and investment activities and may impact the value of financial instruments it holds and the competitive and operating environment for the financial services industry. Many central banks have implemented significant changes to their monetary policy or have experienced significant changes in their management and may implement or experience further changes. CAnb Switzerland cannot predict whether these changes will have a material adverse effect on it or its operations. In addition, changes in monetary policy may affect the credit quality of CAnb Switzerland's customers. Any changes in monetary policy are beyond CAnb Switzerland's control and difficult to predict.

#### ***Litigation risks***

In the ordinary course of business, CAnb Switzerland is, from time to time, involved in legal and arbitration proceedings both as complainant and respondent. The outcome of such proceedings cannot be determined in advance. It is the assumption of CAnb Switzerland that the currently pending proceedings will not have any significant detrimental effect on the assets, financial position and/or net income of CAnb Switzerland. Nevertheless, a certain risk exists that this assessment is proved to be inaccurate and therefore that proceedings adversely determined could negatively affect CAnb Switzerland's business, results of operations and financial condition.

#### ***Emerging risks and new types of risks***

CAnb Switzerland allocates and will continue to allocate significant resources to developing risk related policies, assessing, measuring and mitigating risks that it is exposed to. However CAnb Switzerland's risk management techniques and strategies might not be fully effective to identify, anticipate and mitigate risks CAnb Switzerland is exposed to, particular in changing market conditions and the emergence of new types of risks. As a result, CAnb Switzerland's business, results of operations and financial condition could be negatively impacted.

## **RISKS RELATING TO THE TRANSACTION STRUCTURE GENERALLY**

#### ***The Covered Bonds may not be a suitable investment for all investors***

Each potential investor in the Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement or Applicable Final Terms; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of the Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

***The Covered Bonds are obligations of the Issuer and the Guarantee is an obligation of the Guarantor only***

The obligations in relation to the Covered Bonds and the Guarantee will be solely obligations of the Issuer and the Guarantor, respectively. Accordingly, the obligations under the Covered Bonds and the Guarantee will not be obligations of, or guaranteed by, any other Crédit Agricole entity or any other entity. In particular, the Covered Bonds will not be obligations of, and will not be guaranteed by, any of the Arranger, any of the Dealers, the Trustee, any of the Agents; any company in the same group of companies as such entities or any other party to the Transaction Documents relating to the Programme. Any failure by the Issuer or the Guarantor to pay any amount due under the Covered Bonds and/or the Guarantee shall not result in any liability whatsoever in respect of such failure being accepted by any of the Arranger, the Dealers, the Trustee, any of the Agents, any company in the same group of companies as such entities or any other party to the Transaction Documents relating to the Programme. Consequently, to the extent that CANb Switzerland's and the Guarantor's assets are not sufficient to fulfil their obligations under the Covered Bonds and Guarantee, respectively, Covered Bondholders will not be able to take recourse against third parties for payment and the Guarantor's obligations under the Guarantee may not be fully met.

***The Guarantor's ability to enforce against the Cover Pool Assets will be subject to certain conditions, limited to Guaranteed Amounts falling Due for Payment during a certain time period and sales of Assigned Mortgage Claims will be limited to Eligible Investors***

CANb Switzerland will not sell the Cover Pool Assets to the Guarantor. Instead, Cover Pool Assets will serve as security for the Secured Obligations in favour of the Guarantor (see "*The Guarantor does not provide any direct security to Covered Bondholders for its obligations under the Guarantee*", including the Pre-funding Obligations, owed by CANb Switzerland to the Guarantor. See "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—Guarantee Pre-funding Obligation and Guarantee Recourse and Indemnity Obligation*". The Cover Pool Assets consist of the Mortgage Security and Substitute Assets. The Mortgage Security comprises, *inter alia*, an assignment for security purposes of claims relating to a portfolio of predominately residential mortgage credit agreements.

The Guarantor's ability to enforce against the Cover Pool Assets in respect of the Pre-funding Obligations will be subject to certain conditions being met, including the service of (i) a Guarantee Activation Notice and an initial Notice to Pay by the Trustee for the relevant amount on the Guarantor following the occurrence of an Issuer Event of Default and service of an Issuer Default Notice by the Bondholders' Representative, (ii) periodic Notices to Pay that include, *inter alia*, Guarantee Expenses already due for payment and falling Due for Payment in the 60 Business Day period from and including the date of the relevant periodic Notice to Pay, (iii) service by the Guarantor of Pre-funding Notices for amounts pursuant to the relevant Notices to Pay and (iv) the failure of CANb Switzerland to pay all or part of the amounts owed by the due date, as specified in the relevant Pre-funding Notice. See "*Overview of the Principal Transaction Documents—Trust Agreement—Sale of Assigned Mortgage Claims*". In particular, the Guarantor cannot, except in certain circumstances, finalise any sale of the Assigned Mortgage Claims unless and until the Issuer has failed to pay the amount on or before the due date as specified in the Guarantee Pre-funding Notice, which cannot be served by the Trustee, on behalf of the Guarantor, more than 65 Business Days prior to the date that the relevant Guaranteed Amounts become Due for Payment and there can be no guarantee that 65 Business Days will be sufficient time to complete enforcement actions.

In addition, the Security Assignment Agreement provides that Assigned Mortgage Claims may be sold solely to Eligible Investors, *i.e.* banks and insurance companies incorporated and regulated in Switzerland. As such Eligible Investors are limited in number and in view of the amount and complexity of a potential transaction, there can be no assurance that there will be any Eligible Investors prepared to purchase the relevant Assigned Mortgage Claims at all or at fair prices, that a sale may be finalised within the necessary timeframe to ensure the payment of Guaranteed Amounts when due or that the sales proceeds will be sufficient to discharge the Guaranteed Amounts due but unpaid.

Furthermore, maturities of the Assigned Mortgage Claims may not match those of the Covered Bonds. In addition, should an Issuer Event of Default or other Notification Event occur, there may be a delay in any and all relevant Mortgage Debtors of Assigned Mortgage Claims switching payments to the Guarantor. Accordingly, the claims of the Covered Bondholders and other Relevant Creditors of the Guarantor against the Guarantor will be limited to the Guarantor's Available Funds from time to time. See "*Risks relating to the Cover Pool—Cash flows related to the Cover Pool Assets will be received and collected by CANb Switzerland (subject to transfer to the Guarantor in certain circumstances) and will be paid directly to the Guarantor only upon notification of the Mortgage Debtors. Any amounts received by CANb Switzerland and not transferred to the Guarantor prior to an*

*insolvency of CANb Switzerland will not be protected by the security granted under the Security Assignment Agreement".*

For a discussion of certain risks with respect to the realisation of Cover Pool Assets following the occurrence of a Guarantor Event of Default and service of a Guarantor Default Notice, see "*—When realising Cover Pool Assets following the occurrence of a Guarantor Event of Default, the proceeds may be insufficient to repay all amounts due to Covered Bondholders*".

***Claims of Covered Bondholders under the Guarantee will be limited in amount and recourse to their pro rata share in the Guarantor's Available Funds after giving effect to the relevant Priority of Payment, which depends on a number of factors and may be insufficient to meet the Guarantor's obligations under the Guarantee in full or at all***

Under certain circumstances, the receipt by Covered Bondholders of repayments of principal and payments of interest under the Covered Bonds will depend primarily on the Guarantor's ability to make payments of corresponding amounts under the Guarantee.

Pursuant to the Guarantee, claims of Covered Bondholders, represented by the Bondholders' Representative, against the Guarantor will be limited to their *pro rata* share in the Guarantor's Available Funds from time to time, after giving effect to the relevant Priority of Payments (see "*Cash Flows*"). Upon the Cash Manager giving written notice to the Covered Bondholders that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Cover Pool Assets which would be available to pay amounts owing to Covered Bondholders and all amounts available to be applied to pay amounts owing to Covered Bondholders have been so applied in accordance with the Transaction Documents, the Covered Bondholders shall have no further claim against the Guarantor in respect of any amounts owing to them which remain unpaid. For a discussion of certain risks related to an insolvency of the Guarantor, see "*—Risks relating to the Guarantor —Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*".

The Guarantor's ability to make payments under the Guarantee depends in the first instance primarily on the ability of the Issuer to pay the amounts due under its Pre-funding Obligations pursuant to the Guarantee Mandate Agreement. If the Issuer defaults in making payments pursuant to its Pre-funding Obligations, the Guarantor will, *inter alia*, be entitled to sell Assigned Mortgage Claims and otherwise enforce Cover Pool Assets in accordance with, and subject to, the provisions of the Security Assignment Agreement (see "*Overview of the Principal Transaction Documents —Security Assignment Agreement*") in an amount sufficient to discharge the Secured Obligations.

The proceeds from the sale of the Assigned Mortgage Claims will depend on the realisable value of the Assigned Mortgage Claims and other Cover Pool Assets, which depends on a number of factors, including those described under "*Risks relating to the Cover Pool*" and may be insufficient to cover the Secured Obligations in full or at all. For a discussion of certain risks related to Collected Mortgage Payments, see "*—Risks relating to the Cover Pool—Cash flows related to the Cover Pool Assets will be received and collected by CANb Switzerland (subject to transfer to the Guarantor in certain circumstances) and will be paid directly to the Guarantor only upon notification of the Mortgage Debtors. Any amounts received by CANb Switzerland and not transferred to the Guarantor prior to an insolvency of CANb Switzerland will not be protected by the security granted under the Security Assignment Agreement*":

***The Guarantor's obligation to pay the Final Redemption Amount in respect of any Series of Covered Bonds will be automatically deferred to the relevant Extended Due for Payment Date if the Issuer and the Guarantor have insufficient funds available to make payments in respect of such Series at the relevant Final Maturity Date***

If the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Applicable Final Terms applicable to such Series of Covered Bonds (subject to applicable grace periods) and the Guarantor is obliged under the Guarantee to pay a Guaranteed Amount equal to Scheduled Principal under the Guarantee but the Guarantor has insufficient funds available under the Guarantee Priority of Payments to pay such amount in full on the Extension Determination Date at the latest, then the obligation of the Guarantor to pay such Guaranteed Amount shall be automatically deferred to the relevant Extended Due for Payment Date. However, if and to the extent that the Guarantor has sufficient funds available to partially redeem the relevant Series of Covered Bonds, either on the Final Maturity Date or on the applicable Interest Payment Dates for that Series of Covered Bonds up to and including the Extended Due for Payment Date, then (assuming that the Guarantee Activation Notice and Notice to Pay for the relevant amount have been served on the Guarantor within the relevant

timeframes) the Guarantor shall make such partial redemption in accordance with the Guarantee Priority of Payments.

Interest will continue to accrue and be payable on the unpaid amount of principal of the relevant Series of Covered Bonds on the basis as set out in the Applicable Final Terms or, if not set out therein, in accordance with Condition 4 (*Interest*), *mutatis mutandis*. In these circumstances, failure by the Guarantor to pay Guaranteed Amounts corresponding to all or any portion of the Final Redemption Amount on the Final Maturity Date (or such later date within any applicable grace period) shall not constitute a Guarantor Event of Default. However, failure by the Guarantor to pay Guaranteed Amounts corresponding to the unpaid portion of the Final Redemption Amount or the balance thereof, as the case may be, on the Extended Due for Payment Date and/or pay Guaranteed Amounts constituting Scheduled Interest on any Interest Payment Date or the Extended Due for Payment Date will in each case (subject to any applicable grace period) constitute a Guarantor Event of Default and Covered Bondholders, represented by the Bondholders' Representative, will continue to have full recourse against the Issuer in respect to any amounts owing to them which remain unpaid.

***Because certain amounts payable to Third Party Services Providers rank higher in the applicable Priority of Payments than payments to Covered Bondholders under the Guarantee and certain other creditors may not be subject to any Priority of Payments, such payments may reduce funds available to pay Covered Bondholders***

Pursuant to the Guarantee, any claims of the Covered Bondholders, represented by the Bondholders' Representative, against the Guarantor are limited to the *pro rata* share of such claims in the Available Funds based on the applicable Priority of Payments.

Under each Priority of Payments, certain amounts due to Third Party Services Providers rank higher than payments of Guaranteed Amounts corresponding to Scheduled Interest and Scheduled Principal under the Guarantee to Covered Bondholders. Consequently, any payment to such Third Party Services Providers may reduce the funds available for payments to Covered Bondholders under the Guarantee. Amounts that rank higher under each Priority of Payments include amounts payable to the Trustee pursuant to the Trust Agreement, to the Agents pursuant to the Agency Agreement, to the Cash Manager pursuant to the Cash Management Agreement, the Account Bank pursuant to the terms of the Master Account Bank Agreement, the Corporate Servicer under the Corporate Services Agreement, any Replacement Servicer under the Security Assignment Agreement, the Asset Monitor pursuant to the Asset Monitor Agreement.

Furthermore, there are also certain creditors of the Guarantor that are not subject to the relevant Priority of Payments, such as tax authorities, the Dealers, Mortgage Debtors and each Security Provider who has transferred to the Originator one or several Related Mortgage Certificates by way of security for one or more Assigned Mortgage Claims. These creditors are not bound by the limited recourse (as against the Guarantor) and non-petition provisions in the Intercreditor Agreement or the Guarantee. Consequently, payments to such creditors will reduce funds available for payments to Covered Bondholders under the Guarantee.

***Later maturing Covered Bonds may not be paid in full or at all under the Guarantee as Cover Pool Assets are not segregated for different Series of Covered Bonds and will be used to repay earlier maturing Covered Bonds first***

Although each Series of Covered Bonds will rank *pari passu* with all other Series of Covered Bonds pursuant to the terms of the Guarantee, each Series of Covered Bonds may not necessarily have the same Final Maturity Date. As Cover Pool Assets are not segregated in relation to each Series of Covered Bonds and will be used to repay earlier maturing Covered Bonds first, there is a risk that later maturing Covered Bonds will not be paid in full (or at all) under the Guarantee. The Amortisation Test may not mitigate this risk. A breach of the Amortisation Test will occur if the aggregate principal amount outstanding of the Covered Bonds is greater than the aggregate outstanding principal balance of the Cover Pool Assets. Upon the occurrence of a breach of the Amortisation Test, a Guarantor Event of Default will also occur which will, subject to the Conditions, lead to the service of a Guarantor Acceleration Notice on the Guarantor and the acceleration of the obligations under the Guarantee in relation to all Covered Bonds then outstanding (hence any further timing subordination will cease to exist). There is, however, no guarantee that the remaining Cover Pool Assets will be sufficient to meet the claims of the remaining Covered Bondholders under the Guarantee in full.



***Failure to maintain the Cover Pool in compliance with the Asset Coverage Test may affect the realisable value of the Cover Pool or any part thereof***

Pursuant to the terms of the Security Assignment Agreement, the Assignor undertakes to secure the Secured Obligations by assigning and transferring the Mortgage Assets (in particular Assigned Mortgage Claims and Collected Mortgage Payments) and Substitute Assets to the Assignee in amount and composition sufficient to ensure that each Pre-Event Test is met as of any Cut-Off Date prior to the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice. These Pre-Event Tests are intended to ensure that the assets of the Guarantor do not fall below a certain threshold and the assets of the Guarantor are sufficient to meet its obligations under the Guarantee.

If the aggregate collateral value of the Cover Pool has not been maintained in accordance with the terms of the Asset Coverage Test or the Amortisation Test, then that may affect the realisable value of the Cover Pool or any part thereof (both before and after the IED Guarantee Activation Date) and/or the ability of the Guarantor to make payments under the Guarantee. The Amortisation Test is intended to ensure that if, following an Issuer Event of Default (but prior to a Guarantor Event of Default and service on the Guarantor of a Guarantor Acceleration Notice), the Cover Pool Assets available to the Guarantor to meet its obligations under the Guarantee and in respect of senior ranking expenses which will include costs relating to the maintenance, administration and enforcement or liquidation of the Cover Pool Assets whilst the Covered Bonds are outstanding, fall to a level where Covered Bondholders may not be repaid, a Guarantor Event of Default will occur and all amounts owing under the Covered Bonds may be accelerated.

Following the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date), the Asset Monitor will also be required to test the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, on its behalf, in respect of the Amortisation Test. See "*Overview of the Principal Transaction Documents—Asset Monitor Agreement*".

The Trustee shall not be responsible for monitoring compliance with, nor the monitoring of, the Asset Coverage Test, the Interest Coverage Test or the Amortisation Test or any other test, or supervising the performance by any other party of its obligations under any Transaction Document.

***The Covered Bondholders are limited in enforcing their rights and claims against the Guarantor under the Guarantee***

The Guarantee provides that, for as long as the Covered Bonds are outstanding and until the expiry of the date on which all potential liabilities secured by the Guarantee have been discharged or satisfied in full, neither the Bondholders' Representative acting as direct representative in the name and for the account of the Covered Bondholders nor the Covered Bondholders themselves may take any legal steps or institute legal proceedings against the Guarantor or its assets or corporate bodies for the purpose of enforcing any of its rights or claims against the Guarantor, take any steps or institute an Insolvency Proceedings or other proceedings to procure the bankruptcy, winding-up, liquidation, restructuring, administration or similar procedure in respect of the Guarantor, and other than by virtue of filing of its claims in an insolvency of the Guarantor, claim, rank, prove or vote as creditor of the Guarantor or its estate in competition with any prior ranking creditors in the relevant Priority of Payments until all amounts then due and payable to creditors who rank higher in the relevant Priority of Payments have been paid in full: See "*The Guarantee*". For a discussion of certain risks in relation to this limitation in an insolvency of the Guarantor, see "*Risks relating to the Guarantor—Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*".

***The Guarantor does not provide any direct security to Covered Bondholders for its obligations under the Guarantee***

The Issuer assigns the Assigned Mortgage Assets to the Guarantor for security purposes (*cession à titre de sûreté*) in order to secure the Secured Obligations, including the indemnity and Pre-funding Obligations of the Issuer for payments of the Guarantor under the Guarantee pursuant to the Guarantee Mandate Agreement.

Claims of Covered Bondholders under the Guarantee are not Secured Obligations and, therefore, are not secured by the Cover Pool Assets. This may adversely affect the Guarantor's ability to make payment in full of all Guaranteed Amounts due, in particular in the event of bankruptcy proceedings (see "*Risks relating to the Guarantor—Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*").

***There is no tax gross-up under the Covered Bonds or the Guarantee***

Payments of interest in respect of a Covered Bond by the Issuer, and payments under the Guarantee by the Guarantor in respect thereof, are subject to Swiss federal withholding tax, currently at a rate of 35 per cent. Neither the Issuer nor the Guarantor will pursuant to the Conditions and the Guarantee, as applicable, be obliged to pay any additional amounts with respect to any interest payments in respect of a Covered Bond as a result of the deduction or imposition of such Swiss federal withholding tax. A holder of a Covered Bond who resides in Switzerland and who, at the time the payment of interest is due, is the beneficial recipient of the payment of interest and, in the case of a holder who is an individual, duly reports the gross payment of interest in his or her tax return and, in the case of a holder who is a legal entity or an individual required to keep accounting books, includes such payment as earnings in its income statement, is entitled to a full refund of or a full tax credit for the Swiss federal withholding tax. A holder of a Covered Bond who does not reside in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the provisions of an applicable double taxation treaty, if any, between Switzerland and the country of residence of such holder.

***When realising Cover Pool Assets following the occurrence of a Guarantor Event of Default, the proceeds may be insufficient to repay all amounts due to Covered Bondholders***

All Guaranteed Amounts will immediately become due and payable following the occurrence of a Guarantor Event of Default and the service of a Guarantor Acceleration Notice on the Guarantor. Upon receipt of a Notice to Pay for the relevant amounts by the Guarantor, the Trustee, on behalf of the Guarantor, will be required to serve a corresponding Guarantee Pre-funding Notice on the Issuer. If the Issuer fails to duly pre-fund such Guaranteed Amounts, the Guarantor will be entitled to sell Assigned Mortgage Claims and otherwise enforce Cover Pool Assets in accordance with, and subject to, the provisions of the Security Assignment Agreement. The enforcement proceeds thereof may be used by the Guarantor to make payments to the Guarantor's creditors, including payments under the Guarantee in accordance with the Post-Insolvency Priority of Payments, described in the section entitled "*Cash Flows*". However, there is no guarantee that the proceeds of enforcement of the Cover Pool Assets will be in an amount sufficient to repay all amounts due to the Covered Bondholders.

In particular, in the event of an occurrence of an Insolvency Event in relation to the Guarantor, there is no assurance that the administrator in bankruptcy or other bankruptcy official appointed would liquidate the Mortgage Assets in the Cover Pool in accordance with the provisions of the Security Assignment Agreement or that the proceeds of such liquidation would equal those which may be achieved in a solvent liquidation of the Cover Pool Assets (see "*Risks relating to the Guarantor—Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee*" and "*Risks relating to the Programme legal and regulatory matters—Insolvency proceedings and subordination provisions*"). Thus, if a Guarantor Acceleration Notice is served on the Guarantor, then the Covered Bonds may be repaid sooner or later than expected, in part only or not at all.

***If Transferred Mortgage Certificates are sold at public auction there is no guarantee that a fair market price will be realised or that such a price will be sufficient to discharge the amount outstanding under the relevant Assigned Mortgage Claim***

A Transferred Mortgage Certificate securing one or more Assigned Mortgage Claims may only be enforced by the Guarantor if and to the extent such claims are due and payable. If an agreement cannot be reached with a defaulting Mortgage Debtor for a private sale of the relevant property with a view to repay the secured claims, the enforcement of the Transferred Mortgage Certificate relating to such property becomes subject to a state regulated standardised enforcement process. This process will ultimately result in the relevant property being sold at public auction. The average time between a default and such auction is approximately 12 to 24 months, but it may be significantly longer. There is no guarantee that such an auction will attract enough interested buyers to ensure that a fair market price is realised for such property, or that such a fair market price will be sufficient to discharge the total amount then outstanding under the Assigned Mortgage Claims secured by relevant Transferred Mortgage Certificates and/or the Assigned Mortgage Claim(s) secured thereby.

## **RISKS RELATING TO THE COVER POOL**

*Cash flows related to the Cover Pool Assets will be received and collected by CANb Switzerland (subject to transfer to the Guarantor in certain circumstances) and will be paid directly to the Guarantor only upon notification of the Mortgage Debtors. Any amounts received by CANb Switzerland and not transferred to the Guarantor prior to an insolvency of CANb Switzerland will not be protected by the security granted under the Security Assignment Agreement*

Prior to the occurrence of a Notification Event, CANb Switzerland shall be entitled to receive and collect all cash flows received in respect of the Cover Pool Assets (subject to an obligation to transfer Collected Mortgage Payments to the Guarantor under the limited circumstances described in more detail in "*Overview of the Principal Transaction Documents—Security Assignment Agreement—Collected Mortgage Payments Prior to the Occurrence of an Issuer Event of Default*"). To the extent that CANb Switzerland has not transferred Collected Mortgage Payments to the Guarantor prior to its insolvency, such amounts will be commingled with other funds of CANb Switzerland and not be protected by security granted under the Security Assignment Agreement and the Guarantor would only have an unsecured claim against the estate of CANb Switzerland for such amounts.

Mortgage Debtors will not be immediately notified of the transfer of the related Mortgage Claims to the Guarantor. Until such notice is received by the Mortgage Debtor, the Mortgage Debtor may validly discharge Mortgage Claims by making payment to CANb Switzerland. Notice of the transfer of the Assigned Mortgage Claims and instruction to pay further amounts due to the Guarantor is usually given to Mortgage Debtors following a Notification Event. There can be no assurance, however, that a notification of the Mortgage Debtors will be made due and timely. If notification is not made due and timely, any amounts paid by Mortgage Debtors to CANb Switzerland prior to such notice may not be protected by security granted under the Security Assignment Agreement and the Guarantor may only have an unsecured claim against the estate of CANb Switzerland for such amounts.

Moreover, CANb Switzerland also serves as Account Bank of the Guarantor. Therefore, even if the transfer of such Collected Mortgage Payments to the Guarantor's account with CANb Switzerland is completed, the Covered Bondholders bear the risk of an insolvency of CANb Switzerland unless CANb Switzerland has been replaced as Account Bank and transfer of the funds has been completed prior to such event. See "*—Risks relating to reliance on certain transaction parties—In the case of insolvency of the Account Bank, the Guarantor will only have an unsecured claim against the estate for funds deposited, and no assurance can be given that the Guarantor effectively will have adequate access to Substitute Assets*".

### ***Mortgage Debtors may default in paying amounts due under the Assigned Mortgage Claims***

The inability of Mortgage Debtors to pay amounts due under the Assigned Mortgage Claims on time and in their entirety may reduce the amount of the Guarantor's Available Funds. The failure of Mortgage Debtors to comply with payment obligations under the Assigned Mortgage Claims may also result in the acceleration of such Assigned Mortgage Claims and ultimately cause a payment default of such Mortgage Debtors. Mortgage Debtors may for a variety of reasons default on their obligations due under the Assigned Mortgage Claims. Various factors influence mortgage delinquency rates and the ultimate payment of interest and principal. Examples of such factors include changes in the national or international economic climate, regional economic or housing conditions, and changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Furthermore, Mortgage Debtors of the floating rate and/or the fixed-to-floating rate Assigned Mortgage Claims may become unable to repay the mortgages in the event of wide fluctuations in interest rates and may default. Other factors in Mortgage Debtors' individual, personal or financial circumstances may affect the ability of Mortgage Debtors to repay the Assigned Mortgage Claims. Loss of earnings, illness, divorce and other similar factors may also lead to an increase in delinquencies by and bankruptcies of Mortgage Debtors, and could ultimately have an adverse impact on the ability of Mortgage Debtors to repay the Assigned Mortgage Claims.

In addition to the above, the ability of a Mortgage Debtor to sell a property at a price sufficient to repay the amounts outstanding under that Assigned Mortgage Claim will depend upon a number of factors, including the availability of purchasers for that property, the value of that property and property values in general at the time. See also "*—Risks relating to the Swiss residential mortgage market, such as deterioration in the market for real estate, could negatively affect the value and marketability of the Covered Bonds*", "*—A pandemic context, such as the former COVID-19, may adversely affect the creditworthiness of the Mortgage Debtors and their ability to reimburse mortgage loans as well as the value of the mortgaged properties and the Swiss mortgage market generally*" and "*—Changes in tax treatment on Swiss residential mortgage loans may adversely affect the prices*

*of the residential properties relating to the Relevant Mortgage Loans, the ability of the Mortgage Debtors to pay their obligations under the Relevant Mortgage Loans and, as an indirect consequence, the value of the Relevant Mortgage Loans".*

***Risks relating to the Swiss residential mortgage market, such as deterioration in the market for real estate, could negatively affect the value and marketability of the Covered Bonds***

In an economic climate where interest rates are low, inflation is low and household disposable income is increasing, the demand for residential mortgages in Switzerland has over the last years increased in line with population growth and demographic changes. Concurrently, Swiss property prices increased substantially on average (with strong increases in selected urban and touristic areas).

One of the main risks relating to the Swiss residential mortgage market is the credit risk associated with borrowers' creditworthiness and their ability to repay their mortgage loans as well as with the value of the mortgaged properties. Swiss residential mortgages are typically granted on terms significantly longer than in other countries. The Swiss economy is well positioned to support such mortgages generally because debt levels in Switzerland are not viewed as damaging to potential growth as in most other industrialised countries. While the price level for residential property is generally still sustainable, an increasing number of urban and tourist areas present signs of overheating. Deterioration in these regions or slump in the market for residential or other real estate, as happened in the early 1990s in Switzerland, could negatively affect the value of the mortgaged real property in the underlying Cover Pool and the Swiss mortgage market generally. Furthermore, Mortgage Debtors may be unable to refinance Assigned Mortgage Claims in the desired amount, potentially having a negative impact on the prospects of full repayment of the Assigned Mortgage Claims. This in turn could have an adverse effect on, *inter alia*, the value and marketability of the Covered Bonds and the ability of the Issuer to pay all amounts due to the Covered Bondholders or of the Guarantor to pay all Guaranteed Amounts and/or other amounts due to the Covered Bondholders and other Relevant Creditors of the Guarantor. See also "*—A pandemic context, such as the former COVID-19, may adversely affect the creditworthiness of the Mortgage Debtor and their ability to reimburse mortgage loans as well as the value of the mortgaged properties and the Swiss mortgage market generally*" and "*—Risks relating to the Programme legal and regulatory matters—Implementation of and/or changes to the Basel III framework may affect the capital requirements and/or the liquidity associated with a holding of the Covered Bonds for certain investors and may negatively affect the market value of the Covered Bonds*".

***A pandemic context, such as the former COVID-19, may adversely affect the creditworthiness of Mortgage Debtors and their ability to reimburse mortgage loans as well as the value of the mortgaged properties and the Swiss mortgage market generally***

A pandemic spread across the world, such as the one we experienced in early 2020 with the COVID-19, could lead to the introduction of tight government controls and travel bans, as well as the implementation of other measures which would quickly close down activity and increase economic disruption in Switzerland. Markets could be severely negatively impacted, with multiple industries, including energy, industrials, retail and leisure, significantly affected. The containment measures introduced to address a pandemic context may send the Swiss economy into a recession, which may extend for a prolonged period of time and result in substantially increased unemployment and poorer consumer outlook. The economic downturn could negatively affect the ability of Mortgage Debtors to repay the Assigned Mortgage Claims and/or the value of the mortgaged real property in the underlying Cover Pool and the Swiss mortgage market generally. This in turn could have an adverse effect on, *inter alia*, the value and marketability of the Covered Bonds and the ability of the Issuer to pay all amounts due to the Covered Bondholders or of the Guarantor to pay all Guaranteed Amounts and/or other amounts due to the Covered Bondholders and other Relevant Creditors of the Guarantor. See also "*—Mortgage Debtors may default in paying amounts due under the Assigned Mortgage Claims*" and "*—Risks relating to the Swiss residential mortgage market, such as deterioration in the market for real estate, could negatively affect the value and marketability of the Covered Bonds*".

***The Guarantor may be exposed to a potential shortfall in payments under the Assigned Mortgage Claims in the absence of a valid waiver of a Mortgage Debtor's right of set-off against CANb Switzerland***

As a matter of Swiss law, each Mortgage Debtor is entitled to set-off all payments due under the relevant Assigned Mortgage Claim against any cash deposits (such as savings held in bank accounts and time deposits) held by CANb Switzerland in the name of such Mortgage Debtor and other monetary claims (potentially including claims for the restitution of Related Mortgage Certificates) by such Mortgage Debtor against CANb Switzerland.

In the event of a Mortgage Debtor invoking any right of set-off prior to being notified of the assignment, the Security Assignment Agreement requires that CANb Switzerland shall transfer to the Guarantor an amount corresponding to the amount set-off by the relevant Mortgage Debtor. However, in case of an insolvency of CANb Switzerland, the Guarantor would only have an unsecured claim against the estate.

Moreover, defences of the Mortgage Debtors in relation to Assigned Mortgage Claims, the factual basis of which predate the date the debtor had notice of the assignment, may also be raised against the Guarantor. Such defences include counterclaim, misrepresentation and material error as well as set-off.

Therefore, the Mortgage Debtors will remain entitled to set-off any such amounts against cash deposits held by CANb Switzerland and any other monetary claims by the Mortgage Debtor against CANb Switzerland, and any such set-off shall be considered a good discharge of the Mortgage Debtor's obligations to make payments under the relevant Assigned Mortgage Claim even after the Mortgage Debtors are notified of the assignment of the relevant Assigned Mortgage Claims to the Guarantor. While upon the occurrence of a Notification Event, each notified Mortgage Debtor's right of set-off against CANb Switzerland shall crystallise, as noted above, CANb Switzerland may be unable to transfer to the Guarantor the payment by way of deemed collection, exposing the Guarantor to a potential shortfall in payments under the Assigned Mortgage Claims. The Asset Coverage Test may not be sufficient to mitigate the potential set-off risk associated with Mortgage Debtors holding deposits with CANb Switzerland.

***The waivers of banking secrecy and the transfer clauses necessary for the transfer of Cover Pool Assets, as well as other relevant provisions in CANb Switzerland's standard forms of agreement may be deemed by Swiss courts to be insufficient or inapplicable, which may negatively affect the validity of the transfer of Cover Pool Assets to the Guarantor, replenishment of the Cover Pool as well as the value and/or the enforceability of the Cover Pool Assets***

The origination of Cover Pool Assets (such as the Assigned Mortgage Claims and the Transferred Mortgage Certificates) by CANb Switzerland as Originator, the servicing of Cover Pool Assets by CANb Switzerland or any Replacement Servicer, as well as the enforcement and liquidation of Cover Pool Assets by CANb Switzerland and the Guarantor, respectively, are based on CANb Switzerland's standard forms of agreement (such as the Mortgage Credit Agreements and the Security Transfer Agreements). Furthermore, under Swiss law, the transfer of the Assigned Mortgage Claims and the Transferred Mortgage Certificates from CANb Switzerland as Originator to the Guarantor requires a waiver by the relevant Mortgage Debtor or Security Provider of the confidentiality obligations owed under Swiss banking secrecy as well as its consent to such transfer.

The standard forms of the relevant agreements of CANb Switzerland contain such waiver and transfer clauses. However, the validity and enforceability of the provisions set out in standard forms of agreement are subject to specific requirements which are applied by the courts on a case-by-case basis, and there is a trend to apply such requirements more strictly. In particular, provisions in general terms and conditions of a surprising or particularly unbalanced nature can be deemed to be outside the scope of a contractual consensus and, thus, invalid. Also, pursuant to an amendment to the Swiss Federal Act on Unfair Competition effective as of 1 July 2012, a provision contained in a standard form of agreement may be declared invalid if a court finds that the provision creates, in violation of the principle of good faith, a material and unjustified disproportion between the contractual rights and obligations to the detriment of consumers. As of the date of this Base Prospectus, there is no clear guidance on what impact this amendment will have on the existing and future agreements under which the Cover Pool Assets are originated and whether the bank secrecy waivers, transfer clauses and other relevant provisions in CANb Switzerland's current and new standard forms of agreement still meet the applicable requirements. However, emerging legal writing proposes to apply the new standards in a rather strict and consumer-friendly way. Moreover, under the revised Swiss Federal Act on Unfair Competition, consumer organisations and interested individuals may seek a judgement rendering certain provisions contained in standard forms of agreement (such as a bank secrecy waiver, a transfer clause or other relevant provisions) to be generally void. In addition, the risk of a successful challenge of the validity of a contractual provision contained in CANb Switzerland's standard form of agreements may also depend on whether or not CANb Switzerland can prove that the relevant customer was sufficiently informed of, and has consented to, the consequences of CANb Switzerland making use of a particular right conferred to it in the underlying agreements. There is currently no separate document by which the Mortgage Debtors and/or the Security Providers are informed of, and consent to, the transfer of Mortgage Assets or the consequences thereof. The absence of such document may increase the risk that the relevant Mortgage Debtor and/or Security Provider successfully challenge the validity of the relevant waivers and transfer clauses contained in CANb Switzerland's standard forms of agreements.

Any judicial decision or other legal development to the effect that the waivers and transfer clauses contained in the standard terms of the relevant CAnb Switzerland agreements are or may be insufficient or invalid may restrict or preclude transfers of Mortgage Assets, including for purposes of replenishment of the Cover Pool or the sale of Mortgage Assets to Eligible Investors and/or affect the validity of the security of the Guarantor over the Transferred Mortgage Certificates (see "*Risks relating to the Programme legal and regulatory matters—Change of law*"). Moreover, the revised Swiss Federal Act on Unfair Competition increases the risk that other provisions in CAnb Switzerland's standard forms of agreement on which CAnb Switzerland and/or the Guarantor may rely in connection with the origination, servicing, enforcement and liquidation of the Cover Pool Assets may be deemed to be unenforceable or void on a case-by-case basis or generally.

***The sale of real property upon enforcement in the Transferred Mortgage Certificates may be subject to property transfer taxes and capital gain taxes or legal liens as a consequence of unpaid taxes***

The sale of real property upon enforcement of the Transferred Mortgage Certificates may be subject to real property transfer tax and real property capital gains tax, depending on the canton and municipality in which the real property is located. Real property capital gains taxes are payable by the seller of the real property and real property transfer taxes are generally payable by the buyer of the real property. In some cantons, however, transfer taxes are either payable by the seller of the property or by both the seller and buyer of the real property, and in a few cantons or municipalities, exceptionally, half by the seller and half by the buyer of the real property or as agreed between the buyer and the seller.

The respective tax authority generally has a legal lien for the real property capital gains taxes and the real property transfer taxes. Such liens rank ahead of the security created in order to secure the corresponding mortgage loan. To mitigate risks arising from such legal liens, a buyer of real property usually requires the seller to pay amounts equal to such tax directly on account of purchase price to the relevant tax authority, in the case of capital gains tax on the basis of a provisional tax assessment. If no such amounts are deducted and remitted or the final assessment is higher than the provisional assessment, and if an such taxes remain unpaid, there is a risk that the tax authority to which such taxes are payable would enforce the legal lien. Any enforcement of legal liens may reduce the enforcement proceeds to amounts lower than the mortgage amount, despite CAnb Switzerland restricting the level of lending for residential properties normally to 80% if situated in a prime location (66% in the case of luxury properties) and for second residence properties normally to 66% of the value of the real property.

***Changes in tax treatment on Swiss residential mortgage loans may adversely affect the prices of the residential properties relating to the Relevant Mortgage Loans, the ability of the Mortgage Debtors to pay their obligations under the Relevant Mortgage Loans and, as an indirect consequence, the value of the Relevant Mortgage Loans***

Under current income tax laws in Switzerland, a private individual Mortgage Debtor may deduct from taxable income for the relevant taxation period all interest paid, including interest on Relevant Mortgage Loans; provided, however, that the total deductions made on account of interest for such taxation period may not exceed an amount equal to the portion of such Mortgage Debtor's taxable income for such taxation period derived from private investments (including from privately owned and occupied residential property and other real property), plus CHF 50,000. In addition, such Mortgage Debtor may deduct from taxable income for such taxation period expenses paid during the taxation period to maintain and preserve the privately owned and occupied residential property or, instead, deduct from taxable income for such taxation period a specified lump-sum allowance. Reciprocally, such a Mortgage Debtor must report imputed rental value of his privately owned and occupied residential property as taxable income.

On 2 February 2017, the Economic Affairs and Taxation Committee of the Council of States (WAK-S) submitted a parliamentary initiative to abolish the taxation of rental values of privately owned and occupied residential properties and in conjunction therewith to also abolish tax deductions for interest paid on mortgage loans and for maintenance and preservation costs for such properties. Fulfilling this parliamentary initiative, the Economic Affairs and Taxation Committee published preliminary draft legislation on the partial revision of the Federal Direct Tax Act and the Federal Tax Harmonization Act in 2019 and conducted a consultation procedure. Following this procedure, and analyses of certain aspects undertaken with the Swiss Federal Council, the Economic and Affairs and Taxation Committee on 27 May 2021 published revised preliminary draft legislation and submitted it to the Economic and Taxation Committee of the National Council. This revised preliminary draft legislation provides for the abolition of the taxation of rental values for privately owned and occupied main residential properties, but not for privately owned and occupied second residential properties, and the abolition of deductions for maintenance and preservation costs for main residential properties, and moreover the abolition of all interest payments for private debt in general, including for mortgage loans for privately owned and occupied residential properties and even for mortgage loans for rental properties, despite rental income from rental properties remaining

fully taxable (except for limited interest deductions on mortgage loans for first-time buyers of privately owned and occupied main residential properties). At its meeting on 21 November 2021, the Economic and Taxation Committee of the National Council decided to debate the proposal of the Economic and Taxation Committee of the Council of States for a change in the system of residential property taxation, but demanded clarification of various points from the Swiss Federal Council, such as the economic effects of a change in system, the development of a hardship clause for pensioners with low incomes, or compensation possibilities for cantons with a high proportion of second properties.

If income tax legislation disallowing or reducing tax deductibility of mortgage interest and maintenance and preservation costs for privately owned real property were enacted, current tax advantages of mortgage loans could be eliminated or significantly reduced. This could adversely affect the prices of residential properties and correspondingly the value of the Relevant Mortgage Loans and adversely affect the ability of Mortgage Debtors to pay their obligations under the Relevant Mortgage Loans. A change in tax treatment could also lead to accelerated repayments or amortisations of mortgage loans, non-renewals of mortgage loans, and decline in the origination of mortgage loans.

***The Cover Pool is formed by Mortgage Claims to be randomly selected by the Assignor and which meet the Eligibility Criteria, and only limited due diligence has been undertaken on a very small number of individual Mortgage Assets***

Only limited due diligence on a very small number of individual Mortgage Assets has been performed by way of a sample review of loan files comprised in the Cover Pool or may be performed at the date of any future issuance. Moreover, none of the Arranger, the Issuer, the Guarantor, the Asset Monitor, the Trustee or any Dealer has undertaken or will undertake any due diligence with respect to the wording or content of the individual agreements underlying such Mortgage Assets or the facts and circumstances relating to the particular relationship between the relevant Mortgage Debtor or Security Provider, respectively, and the Originator, all of which may impact the viability and interpretation of such agreements. Instead, the Guarantor will rely on the Eligibility Criteria and the relevant warranties given by the relevant Originator in the Security Assignment Agreement. The remedies provided for in the Security Assignment Agreement to the Guarantor in respect of non-compliance with the Eligibility Criteria (or a breach of warranty (other than where such breach was waived at the point of assignment to the Guarantor)), shall be for CANb Switzerland to assign another Mortgage Claim meeting the Eligibility Criteria as a replacement for any Mortgage Claim which is the subject of such failure or breach, provided that neither shall limit any other remedies available to the Guarantor if CANb Switzerland fails to substitute a Mortgage Claim when obliged to do so. Such obligations are not guaranteed by, nor will they be the responsibility of, any person other than CANb Switzerland and neither the Guarantor nor the Trustee will have recourse to any other person in the event that CANb Switzerland, for whatever reason, fails to meet such obligations.

***The lending criteria applicable to any new Mortgage Asset at the time of its origination may not be the same as those set out in this Base Prospectus***

Pursuant to the terms of the Security Assignment Agreement, the Assignor has represented that each of the Mortgage Assets was originated in accordance with the Assignor's lending criteria applicable at the time of origination. These lending criteria consider a variety of factors such as a potential borrower's credit history, employment status and repayment ability, as well as the value of the property to be mortgaged. In the event of the assignment and transfer of any new Mortgage Assets and their related security to the Assignee, representations and warranties will at such time be given to the Assignee that those new Mortgage Assets and their related security were originated in accordance with the Assignor's lending criteria applicable at the time of the origination of such new Mortgage Assets. Whilst any new Mortgage Assets and their related security will have to comply with the representations and warranties set out in the Security Assignment Agreement, the Assignor retains the right to revise its lending criteria as determined from time to time in its absolute discretion and the lending criteria applicable to any new Mortgage Asset at the time of its origination may not be the same as those in force as at the date of this Base Prospectus and such differences may be material.

***Investors will receive limited information on the Cover Pool***

Other than certain summary information contained in the Investor Reports, Investors will not receive detailed statistics or information in relation to the Assigned Mortgage Claims in the Cover Pool from time to time. There is no assurance that the characteristics of any new Mortgage Assets will be the same as, or similar to, those of the Mortgage Assets in the Cover Pool as further described in this Base Prospectus or the Applicable Final

Terms. For a brief description of the types of Assigned Mortgage Claims that may be included in the Cover Pool, see "*Overview of the Principal Transaction Documents—Security Assignment Agreement—Eligibility Criteria*".

## **RISKS RELATING TO RELIANCE ON CERTAIN TRANSACTION PARTIES**

***The Covered Bondholders rely on the Bondholders' Representative for the exercise of rights and claims under the Conditions and the Guarantee and the Trustee for the exercise of rights under other Transaction Documents and there can be no guarantee that the Bondholders' Representative and/or Trustee will act on behalf of the Covered Bondholders in a timely manner or at all***

Pursuant to the Guarantee, the Guarantor has guaranteed payment of Guaranteed Amounts (pursuant to the terms and subject to the conditions of the Guarantee, see "*The Guarantee*") to the Bondholders' Representative acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders. Pursuant to Condition 3 (*The Guarantee*), each Covered Bondholder will appoint the Bondholders' Representative as representative for purposes of the Guarantee, including the serving of a Guarantor Acceleration Notice pursuant to Condition 9.2 (*Events of Default relating to the Guarantor*). Pursuant to Condition 12 (*Appointment of Bondholders' Representative*), each Covered Bondholder will appoint the Bondholders' Representative as representative as explicitly stated in the Conditions, including with respect to the serving of an Issuer Default Notice pursuant to Condition 9.1 (*Events of Default relating to the Issuer*) as well as the authorisation of waivers, authorisations and determinations pursuant to Condition 14 (*Waiver, Authorisation and Determination*) and modifications pursuant to Condition 15 (*Modification*). To the extent of such appointment, any rights of the Covered Bondholders under the Guarantee can be exercised solely by the Bondholders' Representative and no Covered Bondholder may independently exercise any rights or proceed against the Guarantor under the Guarantee. See "*Swiss Law Bondholder Provisions*".

Furthermore, the Covered Bondholders rely on the Trustee for certain actions pursuant to the Conditions and the Guarantee, including serving the Guarantee Activation Notice and Notices to Pay and the Trustee is, pursuant to the Trust Agreement, authorised by the Covered Bondholders to, without the consent of any Covered Bondholder of any Series, agree to certain waivers and modifications and make certain determinations with respect to Transaction Documents other than the Conditions and the Guarantee, as more fully described in "*Overview of the Principal Transaction Documents—Trust Agreement*".

Consequently, Covered Bondholders depend on the Bondholders' Representative and the Trustee to take certain actions with respect to the Conditions and the Guarantee. However, pursuant to Condition 12 (*Appointment of Bondholders' Representative*) with respect to the Bondholders' Representative and the Trust Agreement with respect to the Trustee, the Bondholders' Representative and the Trustee, respectively, shall not be bound to act unless it shall first be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities which it may render itself liable for or which it may incur by doing so (either by reimbursement of costs or otherwise) except for liabilities as a result of wilful misconduct, wilful default or gross negligence.

Therefore, there can be no guarantee that the Bondholders' Representative and/or the Trustee will act on behalf of the Covered Bondholders in a timely manner or at all. If the Bondholders' Representative or the Trustee does not act in a timely manner or at all Covered Bondholders may be unable to exercise rights and claims under the Conditions, the Guarantee and other Transaction Documents.

***The Guarantor places significant reliance on CANb Switzerland, which may give rise to conflicts of interest. Replacement of CANb Switzerland as Servicer may not be found on acceptable terms, within an acceptable time period or at all and the ability of the Guarantor to perform its obligations may be impaired***

The Guarantor places significant reliance on CANb Switzerland in connection with the servicing of the Cover Pool Assets, as well as for the Guarantor's administration and funding. CANb Switzerland is exposed to a variety of risks that could adversely affect its results of operations or financial conditions, including, among others, those described in "*Risks relating to CANb Switzerland*".

In particular, CANb Switzerland performs a number of initial roles. In particular, CANb Switzerland performs the initial roles of (a) Cash Manager, (b) Account Bank and (c) Corporate Services Provider to the Guarantor and (d) may in the future (if so appointed) perform the role of Swap Provider. CANb Switzerland is also the majority shareholder of the Guarantor and is represented with two members of the Board of Directors of the Guarantor.

In addition, CANb Switzerland shall, as Originator of the Assigned Mortgage Claims, continue to service and administer the Serviced Mortgage Assets until revocation of the relevant authority by the Guarantor. Furthermore, CANb Switzerland, as the Originator of the Mortgage Assets in the Cover Pool, has considerable



discretion to substitute Cover Pool Assets during the course of the Covered Bond Programme and generates and stores the data and documentation relating to the Cover Pool underlying the transfer, retransfer and servicing of Mortgage Assets, which data is also provided to third parties in their respective functions under the Covered Bond Programme. CANb Switzerland, as Account Bank, has, prior to the earlier of (i) its credit rating falling below the Minimum Account Bank Ratings, or (ii) the occurrence of an Issuer Event of Default and service of an Issuer Default Notice, unrestricted access to the funds standing to the credit of the Guarantor Bank Accounts. Consequently, the ability of the Guarantor to make full and timely payments pursuant to its obligations under the Guarantee depends on the performance of CANb Switzerland.

In view of the multiple roles of CANb Switzerland, such reliance may give rise to a wide variety of substantial conflicts of interests. There can be no assurance that the conflicts of interest described will not have a material adverse effect on the Guarantor's ability to fulfil its payments and other obligations and/or on the Covered Bondholders.

In certain circumstances, CANb Switzerland is required to be replaced as provider of these services (see "*Under Swiss law, CANb Switzerland or any other third-party service provider may terminate their contractual relationships at will. Because the Guarantor depends on CANb Switzerland and other third parties for certain services, any termination with immediate effect may adversely affect the Guarantor's ability to make full and timely payments under the Guarantee*"). For instance, CANb Switzerland will be replaced if it ceases to have the requisite minimum rating (and it is unable to take other mitigating steps) or if an Insolvency Event occurs in relation to CANb Switzerland. If CANb Switzerland is replaced as Account Bank, then the Guarantor will be obliged to procure that the funds in the Guarantor Bank Accounts and the Guarantor Share Capital Bank Account deposited with CANb Switzerland are transferred to a newly opened account with a bank having an appropriate credit rating.

There is no certainty that a relevant replacement third party services provider/counterparty can be found who would be willing to enter into the relevant agreement with the Guarantor and can be appointed on acceptable terms, within an acceptable time period or at all. The ability of that servicer/counterparty to perform fully its services would depend in part on the information, software and records which are then available to it. In addition, any Replacement Servicer may be required to acquire or develop new servicing systems or platforms, which may require substantial time and expense to implement. There can be no assurance that the Guarantor will be able to enter into such replacement agreements and transactions on acceptable terms and within a time period which will ensure uninterrupted payments of amounts due by the Guarantor under the Guarantee (following a Guarantee Activation Date) or at all. Moreover, any entity appointed as Replacement Servicer would not become bound by CANb Switzerland's obligations under the Security Assignment Agreement, in particular in relation to the warranties.

***Under Swiss law, CANb Switzerland may not contract with itself***

CANb Switzerland acts in different capacities under the Transaction Documents (see "*—Risks relating to reliance on certain transaction parties—The Guarantor places significant reliance on CANb Switzerland, which may give rise to conflicts of interest. Replacement of CANb Switzerland may not be found on acceptable terms, within an acceptable time period or at all and the ability of the Guarantor to perform its obligations may be impaired*"). As a matter of Swiss law, a party is not capable of contracting with itself. However, this does in itself not prevent such party (like CANb Switzerland) from contracting with other parties (such as the Trustee and the Guarantor).

Accordingly, if pursuant to any Transaction Document CANb Switzerland in a particular capacity assumes obligations towards CANb Switzerland in a different capacity, such obligations may not be enforceable. This may potentially adversely affect the Guarantor's ability to fulfil its obligations under the Guarantee unless such obligations of CANb Switzerland are also assumed towards the Guarantor or the Trustee (as the case may be).

***If an Insolvency Event occurs in relation to CANb Switzerland, transactions involving the provision, replenishment or substitution of Cover Pool Assets may be successfully challenged, and the Guarantor may therefore have insufficient funds to make payments under the Guarantee***

If an Insolvency Event occurs in relation to CANb Switzerland (see "*—Risks relating to CANb Switzerland*"), then the insolvency official appointed in respect of CANb Switzerland or, under certain circumstances, certain of CANb Switzerland's creditors may challenge any transfer of Cover Pool Assets to the Guarantor and dispositions of CANb Switzerland (i) if no or no equivalent consideration was given by the Guarantor at the relevant time (referred to as "transaction at an undervalue"), or (ii) if CANb Switzerland was over indebted at the time of the transfer (referred to as "transaction voidable for over-indebtedness"), or (iii) if CANb

Switzerland intended to disfavour or favour certain of its creditors or should have reasonably foreseen such result (referred to as "preference"). In particular, there is no assurance that a challenge of a transaction involving the providing, replenishment or substitution of Cover Pool Assets leading to a net enlargement or improvement of the Cover Pool or involving payments by CANb Switzerland relatively shortly prior to it becoming insolvent would not be successful, in which case the Guarantor may not be able to liquidate the relevant assets in the Cover Pool for the benefit of the Covered Bondholders and may have to transfer the relevant assets (or their equivalent value) back to CANb Switzerland, which in turn may mean that the Guarantor has insufficient funds to make payments under the Guarantee.

***In the case of insolvency of the Account Bank, the Guarantor will only have an unsecured claim against the estate for funds deposited, and no assurance can be given that the Guarantor effectively will have adequate access to Substitute Assets***

While the Guarantor has undertaken to transfer the funds standing to the credit of the Account Bank to another bank or to obtain a guarantee from a financial institution with the requisite credit ratings or to take any alternative remedial measures if the credit rating of the Account Bank falls below the Minimum Account Bank Ratings, there can be no assurance that such transfer would be completed before the Account Bank becomes insolvent. Furthermore, the credit rating of the Account Bank may also not reflect the potential impact of all risks related to the Account Bank.

If the Account Bank were to become insolvent, the Guarantor would have a claim as an unsecured creditor of the Account Bank. Accordingly, there is a potential risk of loss of the Guarantor's funds held with the Account Bank in the event that the Account Bank has insufficient funds to meet all the claims of its unsecured creditors.

In addition, while the Guarantor as account holder is entitled to segregate the Substitute Assets in the form of intermediated securities held in the Cover Pool Custody Account in the event of the bankruptcy of the Account Bank, no assurance can be given that the Guarantor effectively will have adequate access to these Substitute Assets, e.g. in case of operational difficulties or in case of an insolvency of the Account Bank.

***Under Swiss law, CANb Switzerland or any other third-party service provider may terminate their contractual relationships at will. Because the Guarantor depends on CANb Switzerland and other third parties for certain services, any termination with immediate effect may adversely affect the Guarantor's ability to make full and timely payments under the Guarantee***

The Guarantor and the Covered Bondholders place significant reliance on CANb Switzerland, the Trustee and other third-party service providers. In the event that any relevant party providing services to the Guarantor under the Transaction Documents fails to perform its obligations or the Guarantor is unable to replace such service providers in a timely manner, the Guarantor's ability to perform its payment and other obligations may be compromised. Furthermore, any delay or inability to appoint a suitable Replacement Servicer may have an impact on the realisable value of the Cover Pool Assets. Each of the Transaction Documents contains provisions that restrict the ability of CANb Switzerland, the Trustee or any other third-party service provider to resign from their respective appointments.

Under Swiss law, any appointment of an agent or of an attorney-in-fact is considered to be a personal mandate which can be terminated at any time and with immediate effect (subject to certain restrictions for untimely terminations) by either the appointer or the agent regardless of the terms of the agreement appointing such agent. Because this is a mandatory provision of Swiss law, contractual provisions that limit such termination at will are likely to be held unenforceable by Swiss courts. Therefore, it cannot be excluded that CANb Switzerland, the Trustee or any other third party service provider may terminate the services agreement to which it is a party with immediate effect by invoking the mandatory termination provision under Swiss law, regardless of any contractual restrictions to resign from the respective appointments. There can be no assurance that the Guarantor will be able to enter into replacement agreements which, following the service of the Guarantee Activation Notice on the Guarantor, may affect payments on the Covered Bonds (see also "*Risks relating to reliance on certain transaction parties—The Guarantor places significant reliance on CANb Switzerland, which may give rise to conflicts of interest. Replacement of CANb Switzerland may not be found on acceptable terms, within an acceptable time period or at all and the ability of the Guarantor to perform its obligations may be impaired*"). Moreover, in case of insolvency, any mandate agreement or power of attorney entered into or granted by the insolvent party is automatically deemed terminated or revoked with the declaration of insolvency.

## CERTAIN RISKS RELATED TO SWAP AGREEMENTS

*As at the date of this Base Prospectus, the Guarantor has not entered into any Swap Agreements. Because the Covered Bonds will be denominated in CHF only, the Guarantor will not enter into cross-currency Swaps. If the Guarantor enters into Swap Agreements following the date of this Base Prospectus, Covered Bondholders will be exposed to additional risks with respect to the reliance on the Swap Agreements*

No Swap Providers have been appointed under the Programme and the Guarantor has not entered into or agreed any Swap Agreements. Pursuant to the Guarantee Mandate Agreement, the Issuer may appoint an Initial Swap Provider and instruct the Guarantor to enter into Swap Agreements at any time.

If the Guarantor enters into Swap Agreements following the date hereof, the Guarantor will rely on the Swap Providers following the IED Guarantee Activation Date to mitigate certain interest rate and other risks. If the Guarantor fails to make timely payments of amounts due or certain other events occur in relation to the Guarantor as set out in a Swap Agreement, then the Guarantor will have defaulted under such Swap Agreement and the Swap Provider will not be obliged to make further payments under the Swap Agreement and may terminate the Swaps. If the Swap Provider is not obliged to make payments, or if it defaults in its obligations to make payments, under the Swap Agreement, the Guarantor will be exposed to those changes in interest rates that would otherwise be hedged by the Swap Agreements. There can be no guarantee that the Guarantor will be able to appoint a Replacement Swap Provider who will enter into Swap Agreements with the Guarantor at acceptable terms, within an acceptable timeframe or at all. Furthermore, if the Swap Agreements are terminated, the Guarantor may as a result be obliged to make a Swap Termination Payment to the Swap Provider.

## RISKS RELATING TO THE COVERED BONDS

*In respect of any Covered Bonds issued with the specific use of proceeds "Green Covered Bond", there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor*

The Applicable Final Terms in relation to a specific Series (or Tranche) of Covered Bonds may provide that such Covered Bonds will constitute Green Covered Bonds. In such case, it will be the Issuer's intention to apply an amount equal or equivalent to the net proceeds of such Covered Bonds to finance and/or refinance, in whole or in part, new or existing Eligible Green Assets. The terms "Green Bond Framework", "Appendix", "Green Covered Bonds" and "Eligible Green Assets" are defined under the section "Use of Proceeds" in this Base Prospectus.

There is currently no market consensus or a clear (legal, regulatory or other) definition on what precise attributes are required for a particular project to constitute a "green", "sustainable", "environmental" or equivalently labelled project, nor can any assurance be given that such a consensus or clear definition will develop over time. The European Union adopted on 18 June 2020 Regulation (EU) No 2020/852 (the **Taxonomy Regulation**) on the establishment of a framework to facilitate sustainable investment (the **EU Taxonomy**), establishing the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable. The EU Taxonomy is subject to further development through delegated regulations. The European Commission launched on 12 June 2020 a public consultation on the creation of an EU Green Bond Standard. On 20 November 2020, the European Commission published for consultation a delegated regulation containing the technical screening criteria for climate change mitigation and climate change adaptation under the Taxonomy Regulation. In light of the continuing development of legal, regulatory and market conventions in the green, sustainable and social market, there is a risk that the use of proceeds of any Green Covered Bonds will not satisfy, whether in whole or in part, any future legislative or regulatory requirements, or any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

While it is the intention of CAnb Switzerland to apply an amount equal or equivalent to the net proceeds of any Green Covered Bonds in, or substantially in, the manner described under the section entitled "Use of Proceeds", the application of such amount to finance and/or refinance, in whole or in part, the relevant Eligible Green Assets may not be capable of being implemented in, or substantially in, such manner and/or in accordance with any timeframe, or that such proceeds may not be totally or partially disbursed as planned. Green Covered Bonds or the assets they finance (or refinance) may not have the results or outcome (whether or not related to environmental or other objectives) originally expected or anticipated by CAnb Switzerland.

In addition, the definition of Eligible Green Assets and/or the Appendix in the Green Bond Framework and/or the Green Bond Framework itself (for more details, see "*Use of Proceeds*") may be changed at any time. In particular, the framework and definitions may (or may not) be modified to adapt to any update that may be made to the ICMA's Green Bond Principles on which the Green Bond Framework is based. Such changes may have a negative impact on the market value and the liquidity of any Green Covered Bonds issued prior to their implementation. Any such event or failure by the Issuer will not constitute an Event of Default with respect to the Green Covered Bonds. Similarly, while the Issuer intends to provide information on the use of proceeds of its Green Covered Bonds in annual reports published by Crédit Agricole Group, it is under no obligation to do so, and its failure to do so will not constitute an Event of Default in respect of any Green Covered Bonds.

Any failure to apply an amount equal or equivalent to the net proceeds of any issue of Green Covered Bonds as intended, any withdrawal of any applicable opinion or certification, any opinion or certification to the effect that the Issuer is not complying in whole or in part with criteria or requirements covered by such opinion or certification or any change to the Green Bond Framework, the Appendix, the selection criteria and/or the definition of Eligible Green Assets may affect the market value of the Covered Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets and consequently, Bondholders could lose all or part of their investment in the Covered Bonds.

***Credit ratings may not reflect all risks***

The Covered Bonds are expected on issue to be assigned a "AAA" rating by Fitch (the actual ratings will be as specified in the Applicable Final Terms). Such rating may not reflect the potential impact of all risks related to an investment in the Covered Bonds. Accordingly, a credit rating is not a recommendation to buy, sell or hold Covered Bonds and may be revised or withdrawn by Fitch at any time. In addition, a significant deterioration of the value of the real property underlying the Assigned Mortgage Claims in the Cover Pool may entail a downgrading of the credit rating assigned to the Covered Bonds. Neither the Issuer nor the Guarantor commits to ensure that any specific rating of the Covered Bonds will be upheld until maturity, nor that any or all of the Covered Bonds will be issued with any particular minimum rating.

***Covered Bonds issued under the Programme will rank pari passu, may cross-default and are subject to acceleration***

Covered Bonds issued under the Programme (save in respect of the first issue of Covered Bonds) will either be fungible with an existing Series of Covered Bonds or have different terms to an existing Series of Covered Bonds (in which case they will constitute a new Series). All Covered Bonds issued from time to time will rank *pari passu* with each other and with any other Covered Bonds which may be issued by the Issuer in accordance with the Conditions.

The Covered Bonds will cross-default to each other. That is, if the Issuer fails to pay interest or principal due on any outstanding Series of Covered Bonds (or upon the occurrence of any other Event of Default), then subject to the applicable grace periods and subject to the Bondholders' Representative of the relevant Series serving an Issuer Default Notice, an Issuer Event of Default will occur in respect of all Series of Covered Bonds then outstanding. Upon service of the Issuer Default Notice, the Covered Bonds of all Series shall, in relation to the Issuer only, thereupon immediately become due and repayable at their Early Redemption Amount together with accrued interest unless such Issuer Event of Default shall have been remedied prior to the receipt of such notice by the Issuer.

Similarly, following the IED Guarantee Activation Date, if the Guarantor fails to pay Guaranteed Amounts in respect of the Covered Bonds of any Series (or upon the occurrence of any other Guarantor Event of Default), then, subject to the applicable grace periods and subject to the Bondholders' Representative serving a Guarantor Acceleration Notice, a Guarantor Event of Default will occur in respect of all Series of Covered Bonds then outstanding and (i) each Covered Bonds shall, as against the Issuer (if not already due and repayable against it following the occurrence of an Issuer Event of Default) and as against the Guarantor, immediately become due and repayable at its Early Redemption Amount together with accrued interest; and (ii) all Guaranteed Amounts corresponding to the Early Redemption Amount for each Covered Bond together with all accrued and unpaid interest and all amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever they arose) and all other amounts payable by the Guarantor under the Guarantee with respect to the Covered Bonds become due and payable by the Guarantor in accordance with the Guarantee.

Pursuant to the Conditions, the Bondholders' Representative may, subject to certain conditions, at its sole discretion file an Issuer Default Notice or Guarantor Acceleration Notice (as applicable). If more than one Bondholders' Representative is appointed, each Bondholders' Representative will act solely in the interests of the Series of Covered Bonds which such Bondholders' Representative represents when filing an Issuer Default Notice or Guarantor Acceleration Notice and not in the interests of all Series of Covered Bonds. This increases the risk that a Bondholder's Representative will, when serving an Issuer Default Notice or Guarantor Acceleration Notice act in the interest of a specific Series of Covered Bonds and not have the interests of Covered Bondholders of all Series in mind.

***There is no assurance that applications for listing at SIX Swiss Exchange will be accepted***

There can be no assurance that the application made for the Covered Bonds issued under the Programme to be listed on SIX Swiss Exchange will be approved or that any particular Tranche of Covered Bonds will be so listed and admitted to trading on SIX Swiss Exchange.

***All Transferred Mortgage Certificates will be held by CANb Switzerland as Custodian on behalf of the Guarantor.***

CANb Switzerland as Custodian under the Collateral Holding Agreement undertakes to duly administer, hold and store the Transferred Physical Mortgage Certificates on behalf of the Guarantor. However, the Transferred Physical Mortgage Certificates may not under all circumstances be sufficiently insured against damages. In addition, no assurance can be given that the Guarantor will have effective access to the Transferred Physical Mortgage Certificates, e.g. in case of operational difficulties or in case of an insolvency of the Custodian if the Guarantor's right or title to Transferred Physical Mortgage Certificates is challenged in a voidability action or otherwise (see also —*If an Insolvency Event occurs in relation to CANb Switzerland, transactions involving the provision, replenishment or substitution of Cover Pool Assets may be successfully challenged and the Guarantor may therefore have insufficient funds to make payments under the Guarantee*) or in case the Custodian were to invoke a retention right in relation to the Transferred Physical Mortgage Certificates (see also – *An undertaking not to exercise retention rights may not be enforceable against CANb Switzerland in its role as Custodian in the event of an insolvency of the Guarantor*).

No assurance can be given that the Guarantor effectively will have adequate access to the Transferred Mortgage Certificates, e.g. in case of operational difficulties or in case of an insolvency of the Collateral Holding Agent. Furthermore, under Swiss law, the holding of the Transferred Mortgage Certificates by the Collateral Holding Agent on behalf of the Guarantor gives rise to a retention right in respect of the Transferred Mortgage Certificates in favour of the Collateral Holding Agent in relation to any amounts owed by the Guarantor to the Collateral Holding Agent. Pursuant to the terms of the Collateral Holding Agreement, the Collateral Holding Agent has agreed not to exercise such a right of retention. However, such an undertaking may not be enforceable against the Collateral Holding Agent. Therefore, it cannot be excluded that access by the Guarantor to the Transferred Mortgage Certificates may be delayed or subject to retention rights.

***The Bondholders' Representative with respect to the Conditions and the Guarantee and the Trustee with respect to the other Transaction Documents will have certain discretion in respect of modifications, waivers, authorisations and determinations that will be binding on the Covered Bondholders***

The Conditions contain provisions for calling meetings of Covered Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority. An individual Covered Bondholder may not be in a position to affect the outcome of the resolutions adopted by the meetings of Covered Bondholders. See "*Bondholder representation with respect to the Covered Bonds and the Guarantee is subject to the mandatorily applicable Swiss Bondholder Provisions*"

The Conditions of the Covered Bonds also provide that the Bondholders' Representative may, and is authorised pursuant to the Bondholder Provisions, with respect to the Conditions and the Guarantee, without the consent of Covered Bondholders of any Series, to

- (a) in so far as, in the sole and absolute discretion of the Bondholders' Representative, the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer, the Assignor or the Guarantor of any of the covenants or provisions contained in the Conditions and/or the Guarantee or determine that any Issuer Event

of Default, Guarantor Event of Default or Notification Event shall not be treated as such, in each case in the circumstances described in Condition 14 (*Waiver, Authorisation and Determination*), subject to cross-default, see "*—Covered Bonds issued under the Programme will rank pari passu and will cross-default and are subject to acceleration*"; and

- (b) concur with the Issuer, the Assignor, the Guarantor or any other person in any modifications to the Conditions and/or the Guarantee, (a) not materially prejudicial to the interests of the Covered Bondholders of any Series, (b) of a formal, minor or technical nature, or (c) to correct a manifest error, which is, in the opinion of the Bondholders' Representative, proven, in each case in the circumstances described in Condition 15 (*Modification*).

Consequently, by purchasing any Covered Bonds, each Covered Bondholder will agree that the Bondholders' Representative with respect to the Conditions and the Guarantee and the Trustee with respect to the other Transaction Documents to which it is a party may take any actions delegated to it pursuant to the Conditions and the Trust Agreement, respectively, that will be binding on the Covered Bondholders and the Covered Bondholders may not be able to prevent the Bondholders' Representative and/or Trustee from making certain modifications to the Transaction Documents, Conditions and the Guarantee as described above.

***Bondholder representation with respect to the Covered Bonds and the Guarantee is subject to the mandatorily applicable Swiss Bondholder Provisions***

The Covered Bondholders of each Series form a separate "community of bondholders" under the Bondholder Provisions, which is the ultimate decision making body to safeguard the interests of the Covered Bondholders. The community of bondholders can resolve matters that are binding on all bondholders in formal Bondholder Meetings, subject to statutory majority requirements that cannot be changed in the Conditions.

Pursuant to the Bondholder Provisions, the removal of the Bondholders' Representative with respect to each Series of Covered Bonds requires consent of the Issuer. Following the termination of appointment of the Trustee under the Trust Agreement, the appointment of the Trustee as Bondholders' Representative will also be terminated. See "*Risks relating to reliance on certain transaction parties—Under Swiss law, CANb Switzerland or any other third-party service provider may terminate their contractual relationships at will. Because the Guarantor depends on CANb Switzerland and other third parties for certain services, any termination with immediate effect may adversely affect the Guarantor's ability to make full and timely payments under the Guarantee*". If a new Bondholders' Representative must be appointed following the termination of the appointment of the Bondholders' Representative pursuant to the Bondholder Provisions, each Series can, by majority vote, appoint a Bondholders' Representative with respect to such Series. Therefore, it cannot be excluded that more than one Bondholders' Representative may be appointed, each representing specific Series of Covered Bonds. Each Bondholders' Representative so appointed will be subject to the Conditions.

Resolutions that negatively affect the rights of Covered Bondholders require unanimous consent of the Covered Bondholders, unless the resolution concerns subject matters specifically listed in art. 1170 CO (**1170 CO Resolutions**). 1170 CO Resolutions may have a substantial negative impact on the rights of Covered Bondholders through measures including, in the event of financial distress of the Issuer, debt to equity swap or interest moratorium of up to five years (extendable twice by up to five years). 1170 CO Resolutions require a majority of at least two-thirds of the aggregate outstanding principal amount of the Covered Bonds of a Series outstanding. Lower majority requirements apply where resolutions are proposed to several communities of bondholders, subject to approval by all communities of bondholders. See "*Swiss Law Bondholder Provisions*". Unless a unanimous decision by all Covered Bondholders is reached, 1170 CO Resolutions will require approval by the competent cantonal court, which in case of CANb Switzerland will be the Court of Justice of the Canton of Geneva (*Cour de justice*). A validly adopted 1170 CO Resolution will be binding on all Covered Bondholders of the relevant Series or of all Series (as applicable) including Covered Bondholders who did not attend or vote at the relevant meeting and Covered Bondholders who voted against such 1170 CO Resolution at the relevant meeting. Thus, with respect to the actions described above, holders of the Covered Bonds may be dependent on the votes of the holders of other outstanding Covered Bonds and may not be in a position to affect the outcome of the resolutions adopted by the Bondholder Meetings.

Conversely, resolutions that negatively affect the rights of Covered Bondholders that are not 1170 CO Resolutions require consent by all Covered Bondholders of all Series that are affected. Because it is unlikely that consent by all Covered Bondholders will be achievable, it may not be possible to pass such Bondholder Resolutions. Therefore, there can be no guarantee that Bondholder Resolutions that may be required in the future, e.g. to implement new legal requirements, can be passed.

### ***Lack of liquidity in the secondary market may adversely affect the market value of the Covered Bonds***

No assurance is provided that there is an active and liquid secondary market for the Covered Bonds or that a secondary market for the Covered Bonds will develop. To the extent that a secondary market exists or develops, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment. None of the Covered Bonds have been, or will be, registered under the Securities Act or any other securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set forth under "*Selling Restrictions*". Therefore, a Covered Bondholder may not be able to find a purchaser of its Covered Bonds readily or sell its Covered Bonds at prices that will provide it with a desired yield or a yield comparable to similar investments in respect of which a secondary market has developed.

## **RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF COVERED BONDS**

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential Investors. Set out below is a description of the most common features.

### ***Fixed Rate Covered Bonds***

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

### ***Covered Bonds issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Transfers of Covered Bonds***

The Covered Bonds are subject to restrictions on transfer, as described in the section of this Base Prospectus entitled "*Selling Restrictions*".

### ***Covered Bonds subject to early redemption by Issuer under certain circumstances***

Unless in the case of any particular Series of Covered Bonds where the Applicable Final Terms specify otherwise, early redemption of a Series of Covered Bonds will be permitted in accordance with the Conditions, in whole but not in part (i) for taxation reasons, *i.e.* in the event that the Issuer is or will be obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) of the Conditions as a result of any change in, or amendment to, the laws, regulations or rulings of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date of this Base Prospectus, as supplemented at the date agreement is reached to issue the first Tranche of the relevant Series of Covered Bonds, or (ii) upon the occurrence of a Regulatory Event.

## **RISKS RELATING TO THE GUARANTOR**

### ***Limited Events of Default with respect to the Guarantor***

Service of an Issuer Default Notice on the Issuer does not constitute an event of default with respect to the Guarantor. Therefore, it does not in itself trigger an acceleration of the payment obligations of the Guarantor under the Guarantee. Instead, the Conditions contain limited events of default with respect to the Guarantor, the occurrence of which would entitle Covered Bondholders to accelerate payment obligations under the Guarantee. Acceleration of the Covered Bonds following a Guarantor Event of Default may not lead to accelerated payments to Covered Bondholders, since there can be no assurance that the Guarantor and/or any insolvency official or liquidator appointed in respect of the Guarantor is able to promptly sell the Cover Pool Assets.

### ***Insolvency of the Guarantor may negatively affect the rights and claims of the Covered Bondholders under the Guarantee***

The Guarantor is a special purpose entity. The Transaction Documents include certain provisions that aim to protect the Guarantor from becoming subject to applicable insolvency laws, mainly non-petition and limited recourse provisions in Transaction Documents to which the Guarantor is a party. Notwithstanding these measures, the possibility of the Guarantor becoming subject to applicable insolvency laws and procedures cannot be excluded. This may adversely impact the Guarantor's contractual obligations. See "*—Risks relating to the Programme legal and regulatory matters—Change of law*".

Accordingly, there is no assurance that an insolvency of the Guarantor will not, directly or indirectly, adversely affect the rights and claims of the Trustee for the benefit of the Covered Bondholders against the Guarantor. In particular, payment of the Guaranteed Amounts may not be fully enforceable upon the occurrence of an Insolvency Event in relation to the Guarantor. In particular, pursuant to Swiss bankruptcy laws, upon bankruptcy, all claims against a debtor in bankruptcy become immediately due for payment, which will result in the acceleration of claims under the Guarantee in relation to payment of principal and/or interest under the Covered Bonds which would otherwise only become due for payment in the future. Upon the occurrence of an Insolvency Event in relation to the Guarantor, such accelerated claims in relation to payment of principal and/or interest under the Covered Bonds may not be admitted in their face amount, but discounted back to the date of adjudication of bankruptcy applying a five per cent. discount rate. Alternatively, claims in relation to payment of interest under the Covered Bonds may only be admitted up to the date of adjudication of bankruptcy. In the event that a payment of a Guaranteed Amount is not fully enforceable in the bankruptcy of the Guarantor, this would also result in a corresponding reduction of the relevant Pre-funding Obligation and limit the Guarantor's access to the Cover Pool accordingly. This would lead to an overall reduction in the claims of Covered Bondholders and the assets available for satisfying their claims. In addition, the service of a Guarantor Acceleration Notice on the Guarantor would result in a disruption of the scheduled cash flows on the Covered Bonds. In addition, under Swiss law it is untested whether subordination provisions of the type included in the Transaction Documents (such as the applicable Priority of Payments) would be enforceable against an insolvency administrator of a Swiss debtor. See also "*Risks relating to Programme legal and regulatory matters—Insolvency proceedings and subordination provisions*".

### ***Ownership of and control over the Guarantor by CANb Switzerland may have adverse consequences for the Covered Bondholders***

Under Swiss law, the board of directors of a corporation is elected by a vote of the shareholder's meeting. As at the date hereof, CANb Switzerland holds 98% of the shares of the Guarantor. 1% of the shares each is held by the two Independent Directors, who are proposed by the Trustee (see also "*Description of CANb Switzerland*"). Pursuant to the Guarantor's Articles of Incorporation, the Board of Directors of the Guarantor is composed of no more than four members. Two of the four current members of the Board of Directors are employees of CANb Switzerland and are not paid any fees by the Guarantor. The other two current members of the Board of Directors of the Guarantor are individuals independent from CANb Switzerland within the meaning of the Swiss Code of Best Practice on Corporate Governance and, pursuant to the Intercreditor Agreement, CANb Switzerland, in its capacity as majority shareholder of the Guarantor, undertakes to cause at all times to have elected, by a resolution of the shareholders' meeting of the Guarantor, two individuals independent from CANb Switzerland. However, while pursuant to the Guarantor's Articles of Incorporation the dismissal of directors needs the approval of 99% of the shares in the Guarantor, directors of a Swiss company can resign for any reason and at any time, and, as a matter of Swiss company law, CANb Switzerland as majority shareholder has the power not to (re)elect directors of the Guarantor, including the Independent Directors. Therefore, there can be no assurance that the Guarantor will at all times have the Independent Directors necessary for its operations and the safeguarding of its interests in the Cover Pool Assets. The absence of direct control by the Trustee may have adverse consequences for Covered Bondholders if the instructions of the Guarantor conflict with the interests of the Covered Bondholders (e.g. because the Trustee's instructions cannot supersede those given by the Guarantor to, inter alia, the Cash Manager, the Account Bank or the Originator in relation to the servicing and administration of the Assigned Mortgage Claims). See also "*—Risks relating to reliance on certain transaction parties—The Guarantor places significant reliance on CANb Switzerland, which may give rise to conflicts of interest. Replacement of CANb Switzerland may not be found on acceptable terms, within an acceptable time period or at all and the ability of the Guarantor to perform its obligations may be impaired*".

Furthermore, upon the occurrence of an Insolvency Event in relation to CANb Switzerland, the shares of the Guarantor owned by CANb Switzerland would become part of the bankruptcy estate and may be liquidated for the benefit of CANb Switzerland's creditors. No assurance can be given that the solvency and governance of the Guarantor and the structure of the Covered Bonds issued under the Programme will not be negatively affected by



an insolvency of CAnb Switzerland. Apart from the potential impact on the Swiss mortgage market and the value of the real property underlying the Cover Pool, relevant other potential impacts include non-receipt of any and all Mortgage Payments collected by and other monies held with CAnb Switzerland as well as changes to the Board of Directors of the Guarantor and non-enforceability of CAnb Switzerland's covenants in the Shareholders Agreement, which may negatively affect the compliance of the Guarantor with its payment obligations and undertakings under the Guarantee Mandate Agreement. See also "*Risks relating to CAnb Switzerland*".

***The affiliation of the independent directors of the Guarantor with the Trustee and Bondholders' Representative may give rise to conflicts of interest***

The Chairman and the Vice-Chairman were elected to the Board of Directors of the Guarantor as independent directors (the **Independent Directors**). See "*Description of the Guarantor—Board of Directors*". The Independent Directors have been proposed by TMF Services SA, which is an entity affiliated with the Trustee and Bondholders' Representative. As at the date of this Base Prospectus, the Independent Directors were employees of TMF Services SA. This may involve conflicts of interest involving circumstances under which the Independent Directors may not act in the best interests of the Covered Bondholders.

***Material breach of any SPE Covenant may result in a Guarantor Event of Default, which could adversely affect the Guarantor's ability to make payment of all Guaranteed Amounts due***

Special purpose entity (**SPE**) covenants are generally designed to limit the activities and purposes of certain entities involved in structured financings to owning the related assets, making payments on the related financial instruments and taking such other actions as may be necessary to carry out the foregoing in order to reduce the risk that circumstances unrelated to such instruments and related assets result in the occurrence of an Insolvency Event in relation to the Guarantor. Such covenants (known as **SPE Covenants**) are generally used in structured finance transactions to satisfy requirements of institutional lenders and recognised statistical rating organisations. In order to minimise the possibility that SPEs, like the Guarantor, will be the subject of bankruptcy proceedings, provisions are generally contained in the SPE's organisational documents and/or documentation relating to the transaction that, among other things, limit the indebtedness that can be incurred by such entities and restrict such entities from conducting business as an operating company (thus limiting exposure to outside creditors).

The Guarantee Mandate Agreement will contain provisions that require the Guarantor to conduct itself in accordance with certain SPE Covenants, which may include some or all of the foregoing. However, there can be no assurance that the Guarantor will in fact comply with such SPE Covenants. There can also be no assurance that all or most of the restrictions customarily imposed on SPEs will be complied with by the Guarantor, and even if all or most of such restrictions have been complied with by the Guarantor, there is no guarantee that the Guarantor will not nonetheless become insolvent.

A material breach of any SPE Covenant may result in a Guarantor Event of Default, giving rise to acceleration of all Series of Covered Bonds. This could adversely affect the Guarantor's ability to make all payments due of the Guaranteed Amounts.

## **RISKS RELATING TO THE PROGRAMME LEGAL AND REGULATORY MATTERS**

***Switzerland's lack of a statutory framework for the Covered Bonds creates legal uncertainty and may adversely affect the market value of the Covered Bonds***

Switzerland does not have a legislative framework for the issuance of Covered Bonds in line with international standards such as the legislative proposal adopted by the European Commission on 12 March 2018 for an EU-framework consisting of a directive on the issue of covered bonds and covered bond public supervision and a regulation on amending Regulation (EU) No 575/2013 as regards exposures in the form of covered bonds, as part of the EU Capital Markets Union project or similar rules as implemented in most industrialized countries. Furthermore, as at the date of this Base Prospectus, there are no legislative initiatives to introduce a Swiss regulatory framework for Covered Bonds.

As a result of Switzerland's lack of a legislative framework for Covered Bonds, the Covered Bonds cannot be and are not issued as "Regulated Covered Bonds" pursuant to a specific statutory framework, in particular the final implementation of the Basel III framework in each jurisdiction. The lack of a "Regulated Covered Bond" status may adversely affect the market value of the Covered Bonds. Furthermore, the lack of a legislative framework for covered bonds means that Switzerland will not pass through an equivalence assessment under the

EU Covered Bond Framework. This may adversely affect the market value and regulatory treatment of the Covered Bonds.

Furthermore, as a result of Switzerland's lack of a legislative framework, the Covered Bonds are based on a novel structure (see "*—The transaction structure relies on a number of legal concepts which have not been previously tested in Swiss courts*"). Accordingly, changes in law or its interpretation, including by way of changes to administrative practice and judicial decisions, may adversely affect the Covered Bonds and the rights of the Covered Bondholders against the Issuer under the Covered Bonds and/or against the Guarantor under the Guarantee and even the viability of the transaction structure. Without limitation to the generality of the foregoing, relevant changes could result in the transfer of Mortgage Assets and Cover Pool Assets to the Guarantor not being recognised, prevent or limit the liquidation or enforcement of Mortgage Assets and Cover Pool Assets for the benefit of the Covered Bondholders and the distribution of the proceeds thereof in accordance with the applicable Priority of Payments, compromise the bankruptcy remoteness of the Guarantor and/or make the Guarantor subject to the special insolvency regime for banks and other relevant entities, all of which could leave the Covered Bondholders with economically unsecured claims against the Issuer.

***The transaction structure relies on a number of legal concepts which have not been previously tested in Swiss courts.***

The Covered Bonds are not issued as Mortgage Bonds (*lettres de gage*) within the meaning of the Swiss Federal Mortgage Act on Mortgage Bonds. Consequently, Covered Bondholders will not benefit from the protections afforded to holders of Mortgage Bonds pursuant to the Swiss Federal Mortgage Bond Act.

As one of the first programmes for the issuance of Covered Bonds in Switzerland that is entirely governed by Swiss law, the Programme is based on a novel structure and such structure has not been tested in court or validated in legal writing. Moreover, the structure relies on a number of innovative legal concepts, some of which have not been tested in court. CAnb Switzerland has received legal advice as to, among other things, the effectiveness and legal enforceability of, amongst other things, the provisions of the Security Assignment Agreement, the Guarantee Mandate Agreement and the Guarantee.

However, there is no case law which is directly applicable to the structure of the Programme, and the judicial precedents, legal authorities and other considerations underlying such advice are subject to change (see "*—Change of law*"). In addition, the relevant advice was based on customary assumptions and qualifications including, in relation to the compliance of the Transaction Parties with relevant representations, warranties and undertakings, the validity and enforceability of the agreements, including in relation to the transfer clauses therein, pursuant to which the Mortgage Assets transferred or to be transferred were or may be originated (see "*—Risks relating to the Cover Pool—The waivers of banking secrecy and the transfer clauses necessary for the transfer of Cover Pool Assets, as well as other relevant provisions in CAnb Switzerland's standard forms of agreement may be deemed by Swiss courts to be insufficient or inapplicable, which may negatively affect the validity of the transfer of Cover Pool Assets to the Guarantor, replenishment of the Cover Pool as well as the value and/or the enforceability of the Cover Pool Assets*"), and to the arm's length nature of the transactions entered into by the parties of the Transaction Documents and their related intentions. Consequently there can be no certainty that a court, a regulatory authority or an insolvency administrator or liquidator would act and rule in the same manner as contemplated in the legal advice received. Any such action or decision deviating from the advice received may adversely affect the rights and obligations of the holder of the Covered Bonds and even the viability of the transaction structure. Without limitation to the generality of the foregoing, relevant decisions could compromise the bankruptcy remoteness of the Guarantor and/or make the Guarantor subject to the special restructuring and insolvency regime for banks and other relevant entities, which could adversely affect the claims of the Covered Bondholders, represented by the Bondholders' Representative, under the Guarantee as well as the liquidation of the Cover Pool Assets for the benefit of the Covered Bondholders and the distribution of the proceeds thereof in accordance with the applicable Priority of Payments. Further, relevant decisions could also result in the transfer of Mortgage Assets and Cover Pool Assets to the Guarantor not being recognised or in preventing or limiting the liquidation or enforcement of Mortgage Assets and Cover Pool Assets, all of which could leave the Covered Bondholders with economically unsecured claims against the Issuer.

***Insolvency proceedings and subordination provisions***

There is uncertainty as to the validity and/or enforceability of a provision such as the limited recourse provisions in the Transaction Documents that subordinates certain payment rights of a creditor to the payment rights of other creditors upon the occurrence of Insolvency Proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in

respect of certain termination payments upon the occurrence of Insolvency Proceedings or other default on the part of such counterparty (so-called "flip clauses"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of payments under the Priorities of Payments.

In addition, under Swiss law it is uncertain whether subordination provisions of the type included in the Transaction Documents would be enforceable against an insolvency administrator of a Swiss debtor. If an insolvency administration does not respect the applicable Priority of Payments, Covered Bondholders may have to directly take action against parties who have received more than their applicable share pursuant to the applicable Priority of Payments, which may be time consuming and expensive and there can be no guarantee that Covered Bondholders will ultimately be able to recover any such amounts.

***Implementation of and/or changes to the Basel III framework as well as local regulatory requirements may affect the capital requirements and/or the liquidity associated with a holding of the Covered Bonds for certain investors and may negatively affect the market value of the Covered Bonds***

In Europe, the U.S. and elsewhere, there is significant focus on fostering greater financial stability through increased regulation of financial institutions, and their corresponding capital and liquidity positions. This has resulted in a number of regulatory initiatives which are currently at various stages of implementation and which may have an impact on the regulatory position for certain investors in covered bond exposures and/or on the incentives for certain investors to hold covered bonds, and may thereby affect the liquidity of such securities. Investors in the Covered Bonds are responsible for analysing their own regulatory position and none of the Issuer, the Guarantor, the Dealers or the Arranger makes any representation to any prospective investor or purchaser of the Covered Bonds regarding the treatment of their investment on the date of issuance of any Covered Bond or at any time in the future.

In particular, it should be noted that the Basel Committee on Banking Supervision (the **BCBS**) approved a series of significant changes to the Basel regulatory capital and liquidity framework in 2011 (such changes being referred to by the BCBS as Basel III). Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "back-stop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). BCBS member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013, and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements. As implementation of Basel III requires national legislation, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of covered bonds, may be subject to some level of national variation and this may affect the liquidity and/or value of the Covered Bonds.

***Legal investment laws and regulations may restrict certain investments.***

The investment activities of certain Investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Investor should consult its legal advisers to determine whether and to what extent (a) Covered Bonds are legal investments for it, (b) Covered Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules (see "*Risks relating to the Cover Pool—The waivers of banking secrecy and the transfer clauses necessary for the transfer of Cover Pool Assets, as well as other relevant provisions in CANb Switzerland's standard forms of agreement may be deemed by Swiss courts to be insufficient or inapplicable, which may negatively affect the validity of the transfer of Cover Pool Assets to the Guarantor, replenishment of the Cover Pool as well as the value and/or the enforceability of the Cover Pool Assets*").

***Change of law***

The transaction structure developed for purposes of the issuance of Covered Bonds (see "*The transaction structure relies on a number of legal concepts which have not been previously tested in Swiss courts*"), the Conditions of the Covered Bonds and the Transaction Documents are based on Swiss law in effect as at the date of this Base Prospectus and the description of the effects thereof or any default or insolvency of the Guarantor or CANb Switzerland are based on Swiss law in effect as at the date thereof. Such laws and the interpretation thereof have been and are subject to change. No assurance can be given as to the impact of any possible judicial decision or change to Swiss law or administrative practice in Switzerland after the date of this Base Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer or the Guarantor

to make payments under the Covered Bonds and/or the ability of the Guarantor to make payments under the Guarantee.

***Payments under the Covered Bonds may be subject to U.S. Foreign Account Tax Compliance Withholding***

In certain circumstances the Issuer and certain other non-US financial institutions ("FFIs") through which payments on the Covered Bonds will be made may be required to withhold US tax at a rate of 30 percent pursuant to sections 1471-1474 of the US Internal Revenue Code of 1986, as amended (enacted in 2010 as part of the Foreign Account Tax Compliance Act), and the regulations and other guidance promulgated thereunder, including any intergovernmental agreements concluded between the United States and any other jurisdiction, and such other jurisdiction's implementing legislation related thereto, (collectively, **FATCA**) on all, or a portion of, payments made after the later of (a) 31 December 2018, or (b) the date of publication of final US treasury regulations defining the term "foreign passthru payment", in respect of (i) Covered Bonds that are treated as debt for US federal tax purposes that are issued or materially modified after the date that is six months after the date of publication of final US treasury regulations defining the term "foreign passthru payment", and (ii) Covered Bonds that are treated as equity for US federal tax purposes, whenever issued.

If an amount in respect of FATCA were required to be withheld from any payment on the Covered Bonds, there will be no "gross up" (or any other additional amount) payable by way of compensation to the investor for the withheld amount. An investor that is able to claim the benefits of an income tax treaty between its own jurisdiction and the United States may be entitled to a refund of amounts withheld pursuant to the FATCA rules, though the investor would have to file a US tax return to claim this refund and would not be entitled to interest from the US Internal Revenue Service (**IRS**) for the period prior to the refund.

Generally, FFIs in a jurisdiction that has entered into an intergovernmental agreement with the United States for the implementation of FATCA (an **IGA**), such as Switzerland, are not required to withhold under FATCA or the IGA (or any law implementing the IGA) from payments they make to their "account holders", including, in certain circumstances, debt and equity holders. However, the Swiss IGA may require that Swiss FFIs withhold under FATCA on payments made to certain FFIs that do not fulfil their obligations under FATCA or certain account holders (including debt and equity holders) who are deemed to be unable to receive payments free of FATCA withholding.

FATCA withholding, if ever required, may affect payments made to custodians or intermediaries in the payment chain leading to the Issuer, or the ultimate investor, if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. Within the transaction, this could result in the Issuer receiving amounts on the loans that are materially less than it would have received had no such FATCA withholding been imposed. FATCA withholding may also affect payment to any ultimate investor that is an FFI that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

The Issuer's obligations under the Covered Bonds are discharged once it has made payment to, or to the order of, a Paying Agent and the Issuer has therefore no responsibility for any amount thereafter transmitted through a Paying Agent, custodians, or intermediaries. Under the Conditions, a holder of Covered Bonds agrees or is deemed to agree to provide any information required for FATCA compliance, and to permit this information to be reported to the IRS.

***If CANb Switzerland experiences financial difficulties, FINMA has the power to open restructuring or liquidation proceedings in respect of, and/or impose protective measures in relation to, CANb Switzerland, which proceedings or measures may have a material adverse effect on the terms and market value of the Covered Bonds and/or the ability of CANb Switzerland and the Guarantor to make payments under the Covered Bonds and the Guarantee, respectively***

Pursuant to article 25 et seq. of the FBA, FINMA has broad statutory powers to take measures and actions in relation to CANb Switzerland if (i) there is a justified concern that it is over indebted or has serious liquidity problems or (ii) it fails to fulfil the applicable capital-adequacy provisions after expiry of a deadline set by FINMA. If one of these pre-requisites is met, FINMA is authorised (a) to open restructuring proceedings (*procédures*

*d'assainissement*), (b) to open liquidation (bankruptcy) proceedings (*faillite bancaire*) in respect of and/or (c) to impose protective measures (*mesures protectrices*) in relation to CAnb Switzerland. The FBA and its implementing ordinance grants significant discretion to FINMA in connection with the aforementioned proceedings and measures. In particular, protective measures that may be imposed by FINMA in relation to CAnb Switzerland, include a broad variety of measures such as a bank moratorium (*sursis*) or a maturity postponement (*report de l'échéance*) and may be ordered by FINMA either on a stand-alone basis or in connection with reorganisation or liquidation proceedings. In a restructuring proceeding (*procédure d'assainissement*), FINMA as resolution authority is competent to approve the resolution plan (*plan d'assainissement*). The resolution plan may, among other things, provide for (i) the transfer of CAnb Switzerland's assets or parts thereof with assets and debts as well as contracts, which may or may not include the Transaction Documents to which CAnb Switzerland is a party to another entity, (ii) staying (for a maximum of two business days) the termination of, and the exercise of rights to terminate, netting rights, rights to enforce or dispose of certain types of collateral or rights to transfer claims, liabilities or certain collateral, under contracts to which CAnb Switzerland is a party, (iii) the conversion of CAnb Switzerland's debt or other obligations, including Secured Obligations and other obligations of CAnb Switzerland under the Transaction Documents, into equity (a "debt-to-equity swap"), and/or (iv) the partial or full write-off of such obligations (a "haircut"). Pursuant to Swiss banking laws, a debt-to-equity swap and/or a partial or full haircut on the unsubordinated debt instruments may only take place after (i) the existing equity of CAnb Switzerland has been fully cancelled, and (ii) all debt instruments issued by CAnb Switzerland qualifying as additional tier 1 capital or tier 2 capital have been converted into equity or written off. Swiss law further provides that secured claims whose existence and amount can be readily demonstrated are exempted from a debt-to-equity swap or a haircut up to the secured amount.

In absence of court precedent, it cannot be excluded that CAnb Switzerland's obligations under or in connection with the Covered Bonds, to the extent not covered by the Guarantee (see "*Risks relating to the transaction structure generally—When realising Cover Pool Assets following the occurrence of a Guarantor Event of Default, the proceeds may be insufficient to repay all amounts due to Covered Bondholders*"), will be subject to a bail-in by FINMA and how the secured amount would be calculated in a restructuring proceeding. Therefore, to the extent that they are not deemed to be secured claims within the meaning of Swiss banking laws, it cannot be excluded that any resolution plan concerning CAnb Switzerland would provide that the claims under or in connection with any Covered Bonds (including Pre-Funding and Recourse Claims) will be partially or fully converted or written-off and that in case of a write-off claims ranking junior to the claims under such Covered Bonds will be preserved.

As of the date of this Base Prospectus, there are no precedents as to what impact the revised restructuring regime would have on the rights of the Covered Bondholders under the Covered Bonds and/or the Guarantee, the ability of the Guarantor to enforce the Cover Pool Assets and the ability of CAnb Switzerland and the Guarantor to make payments under the Covered Bonds and the Guarantee, respectively, if one or several of measures under the revised insolvency regime were imposed in connection with a restructuring of CAnb Switzerland.

#### **ACTUAL RESULTS MIGHT DIFFER SUBSTANTIALLY FROM THE PROJECTIONS IN THIS BASE PROSPECTUS.**

Forecasts and estimates in this Base Prospectus are forward-looking statements which relate, but are not limited, to the Issuer's potential exposure to various types of market risks, such as counterparty risk, interest rate risk, foreign exchange rate risk and commodity and equity price risk and are speculative in nature. Such statements are subject to risks and uncertainties and therefore not historical facts and represent only the Issuer's beliefs regarding future events, many of which, by their nature, are inherently uncertain and beyond the control of the Issuer. It can be expected that some or all of the assumptions underlying the projections will not prove to be correct or will vary from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

## ABOUT THIS BASE PROSPECTUS

### Documents Incorporated by Reference

The following documents (or the sections thereof specified below), which have previously been published or are published simultaneously with this Base Prospectus, are incorporated in, and form part of, this Base Prospectus:

- (a) The following sections of the 2022 annual report of Crédit Agricole next bank (Suisse) SA (available at: <https://www.ca-nextbank.ch/fr/fr/rapports-annuels.html>, the **2022 CAnb Switzerland Annual Report**):
  - (i) Stand-alone statutory financial statements of CAnb Switzerland as at and for the years ended 31 December 2022 and 2021 on pages 16 to 20;
  - (ii) Annex to the stand-alone statutory financial statements of CAnb Switzerland on pages 21 to 25;
  - (iii) Notes to the stand-alone statutory financial statements of CAnb Switzerland on pages 27 to 37;
  - (iv) Report of the Statutory Auditor on page 38 to 39;
  - (v) Regulatory capital as at 31 December 2022 and short term liquidity (LCR) on page 40;
- (b) The following sections of the CAnb interim financial statements as at and for the six months ended 30 June 2023 (available at: <https://www.ca-nextbank.ch/fr/fr/rapports-annuels.html>) (the **H1 2023 CAnb Switzerland Interim Report**):
  - (i) Stand-alone financial statements of CAnb Switzerland as at and for the six months ended 30 June 2023 on pages 3 and 4; and
- (c) the Articles of Association of CAnb Switzerland and the Articles of Incorporation of the Guarantor.

### Supplements

After the date hereof, a supplement to this Base Prospectus that adds, updates or changes the information contained in this Base Prospectus may be prepared by the Issuer, which supplement will be filed with and, to the extent required by article 56(4) of the FinSA, approved by the Swiss Review Body and published by the Issuer in accordance with the FinSA. Statements contained in any such supplement (or contained in any document incorporated by reference herein via such supplement) will be deemed to modify or supersede statements contained in this Base Prospectus or in a document that is incorporated by reference herein. Any statement so modified or superseded will not, except as so modified or superseded, constitute a part of this Base Prospectus with respect to the Covered Bonds offered on or after the date of the relevant supplement.

### Availability of Documents

Copies of this Base Prospectus (including the documents incorporated by reference herein and any supplements hereto), the Transaction Documents as well as each Applicable Final Terms (save that final terms relating to an unlisted Covered Bond will be available for inspection only by the relevant Dealer or Dealers specified in such Applicable Final Terms or, upon proof satisfactory to the Principal Paying Agent as to the identity of the holder of any Covered Bond to which such Applicable Final Terms relate) and any other documents incorporated therein by reference can be obtained in electronic or printed form, free of charge, during normal business hours from CAnb Switzerland, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland, email: [legal@ca-nextbank.ch](mailto:legal@ca-nextbank.ch).

For as long as the Programme remains in effect or any Covered Bonds shall be outstanding, copies of each Transaction Document may be inspected by physical means during usual business hours (public holidays excepted) at the offices of CAnb Switzerland at Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland.

In addition, the annual and semi-annual reports of CAnb Switzerland are published on CAnb Switzerland's website, at <https://www.ca-nextbank.ch/fr/fr/rapports-annuels.html> and Investor Reports at [www.ca-nextbank.ch/en/en/investor-relations.html](http://www.ca-nextbank.ch/en/en/investor-relations.html). The information contained on these websites or other securities filings do not form part of this Base Prospectus unless otherwise specifically incorporated by reference herein.

## FORM OF APPLICABLE FINAL TERMS

Set out below is the form of Applicable Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme.

[Date]

**Crédit Agricole next bank (Suisse) SA**

**Legal Entity Identifier (LEI) Code: 549300YS0Y8HCSHTN07**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]**

**irrevocably and unconditionally guaranteed as to payment of principal and interest by**

**CAnb (Suisse) Hypothèques SA**

**under the CHF 2 billion Covered Bond Programme**

### PART A – CONTRACTUAL TERMS

Terms used but not defined herein have the meanings assigned to such terms in the Conditions of the Covered Bonds set forth in the Base Prospectus dated 28 July 2023[, as supplemented by the Supplement[s] thereto dated [insert date(s)]] (the **Base Prospectus**), which constitutes a base prospectus for purposes of article 45 of the Swiss Financial Services Act dated 15 June 2018, as amended (the **FinSA**). This document constitutes the Applicable Final Terms within the meaning of article 45(3) of the FinSA for the Tranche of Covered Bonds described herein and must be read in conjunction with the Base Prospectus, which together constitute the prospectus with respect to such Tranche of Covered Bonds for purposes of the FinSA.

Full information on the Issuer, the Guarantor and the offer of the Covered Bonds described herein is available only on the basis of the combination of these Applicable Final Terms and the Base Prospectus as supplemented from time to time. Copies of the Base Prospectus (including the documents incorporated by reference therein and any supplements thereto) and these Applicable Final Terms can be obtained in electronic or printed form, free of charge, during normal business hours from (i) registered office of the Issuer[, or (ii) [insert additional name], [insert additional address], , or telephone (+41 [insert additional telephone number]), fax: (+41 [insert additional fax number]) or email to [insert additional email]].

- (1) Issue Date: [ ]
- (2) (a) Series Number: [ ]
- (b) Tranche Number: [ ]
- (c) Series which Covered Bonds will be consolidated and form a single Series with: [ ]/[Not Applicable]
- (d) Date on which the Covered Bonds will be consolidated and form a single Series with the Series specified above: [ ]/[Issue Date]/[Not Applicable]
- (3) Specified Currency or Currencies: Swiss Francs
- (4) Aggregate Nominal Amount: [ ]
- (a) Series: [ ]
- (b) Tranche: [ ]
- (5) Issue Price: [ ] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date]]
- (6) (a) Specified Denominations: [ ]

- (b) Calculation Amount: [ ]
- (7) Interest Commencement Date: [ ]/[Issue Date]
- (8) (a) Final Maturity Date: [ ]/[Interest Payment Date falling in or nearest to  
[specify month and year]]
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Guarantee: [ ]/[Interest Payment Date falling in or nearest to  
[specify month and year]/[Not Applicable]
- (9) Interest Basis: Fixed Rate payable in arrears
- (10) Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Final Maturity Date at [100] per cent. of the nominal value [Redemption amount will always be 100% of the nominal value or higher]
- (11) Change of Interest Basis or Redemption/Payment Basis: [ ]/[in accordance with paragraphs 15 and 16]
- (12) Investor Put: [Investor Put] / [Not Applicable]
- (13) (a) Date of Board approval for issuance of Covered Bonds obtained: Approval of the Board of Directors of Crédit Agricole next bank (Suisse) SA obtained on [ ]/[ ]
- (b) Date Board approval for the Guarantee obtained: Approval of the Board of Directors of the Guarantor obtained on [ ]/[ ]
- (14) Method of Distribution: [ ]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- (15) Fixed Rate Covered Bond Provisions: Applicable
- (a) Rate(s) of Interest: [ ] per cent. per annum payable in arrears on each Interest Payment Date
- (b) Interest Payment Date(s):
- (i) To Final Maturity Date: [ ] in each year, commencing on [ ] up to and including the Final Maturity Date.
- (i) From Final Maturity Date up to Extended Due for Payment Date (pursuant to the Guarantee): Quarterly on [ ], [ ], [ ], [ ] in each year commencing on [ ], until the earlier of (i) the date on which the Covered Bonds are redeemed in full and (ii) the Extended Due for Payment Date.
- (d) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (e) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]/[Not Applicable]
- (f) Day Count Fraction: [30/360, unadjusted]/[Actual/Actual (ICMA)]
- (g) Determination Date(s): [[ ] in each year]/[Not Applicable]

#### **PROVISIONS RELATING TO REDEMPTION**

- (16) Redemption for Tax Reasons – other minimum or maximum period: [[Not Applicable] / Not less than [ ] days and not more than [ ] days
- (17) Investor Put: [Applicable/Not Applicable]



(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Optional Redemption Date(s): [            ]
- (b) Optional Redemption Amount: [Nominal Amount/[            ] per Calculation Amount]
- (18) Final Redemption Amount: [Normal Amount/[            ] per Calculation Amount]
- (19) Early Redemption Amount payable on redemption for taxation reasons, due to a regulatory event or on event of default: [Normal Amount/[            ] per Calculation Amount]

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

- (20) Form of Covered Bonds:                      Uncertificated Covered Bonds:  
Uncertificated Covered Bonds registered into the main register (*registre principal*) with [SIX SIS AG, Olten, Switzerland] / [            ].  
No individually certificated Covered Bonds (*papiers-valeurs*) will be printed or delivered.

**[REPRESENTATIVE]** (N.B. Only to be included in case of Covered Bonds to be admitted to trading and listed on SIX Swiss Exchange)

In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer and the Guarantor have appointed [insert name of recognised representative], located at [insert address of recognised representative] recognised representative to file the application with SIX Exchange Regulation AG in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Covered Bonds on SIX Swiss Exchange.]

**NO MATERIAL ADVERSE CHANGE STATEMENT**

Except as disclosed in the Base Prospectus, no material changes have occurred in the Issuer's assets and liabilities, financial position or profits and losses since [insert the date of the latest annual or interim financial statements].

**RESPONSIBILITY**

The Issuer and the Guarantor assume responsibility for the completeness and accuracy of the information contained in these Applicable Final Terms and in the Base Prospectus (with respect to the Base Prospectus only, as set out in the section "Important Information" in the Base Prospectus).

**Signed on behalf of the Issuer:**

**Signed on behalf of the Guarantor:**

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

## PART B – OTHER INFORMATION

### 1. LISTING, ADMISSION TO TRADING AND EXPENSES

- (a) Listing: [SIX Swiss Exchange] / [Not Applicable]
- (b) Admission to trading: [The first day of trading on SIX Swiss Exchange will be *[date]*. Application for definitive admission to trading and listing on SIX Swiss Exchange will be made as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. [The last day of trading on SIX Swiss Exchange will be *[date]*.] / [Not Applicable] / [ ]
- (When documenting a fungible issue need to indicate that the original securities are already admitted to trading)
- (c) Estimated total expenses relating to admission to trading: [ ]

### 2. USE AND ESTIMATED NET PROCEEDS

- (a) Use: [ ]\*/[The Covered Bonds constitute Green Covered Bonds and an amount equal or equivalent to the proceeds will be used to finance and/or refinance, in whole or in part, new or existing Eligible Green Assets:
- [describe Eligible Green Assets categories and/or any relevant framework, second party opinion(s) and where such information can be obtained].]*
- \*(See "Use of Proceeds" wording in the Base Prospectus. If the use of proceeds differ from general corporate purposes, include those reasons/uses here).*
- [Any post-issuance information in relation to Green Covered Bonds can be obtained from [### 3. RATINGS](https://[...]</a>]</i></p><p>(b) Estimated Net Proceeds: [ ]</p></div><div data-bbox=)*

- Ratings: The Covered Bonds to be issued have been rated:  
Fitch Ratings Limited: [ ]

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER

[Save for any fees payable to the Dealers, so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and their affiliates in the ordinary course of business.]

### 5. YIELD

- Indication of yield (calculated at the Issue Date on the basis of the Issue Price): [Not Applicable/[ ]]

### 7. OPERATIONAL INFORMATION

- ISIN: [ ]

Common Code: [ ]

Swiss Security Number: [ ]

Relevant Clearing System(s): [SIX SIS AG] / [Not Applicable] / [ ]

Delivery: Delivery [against/free of] payment

Names and addresses of Principal Paying Agent: [ ]  
Switzerland]

Names and addresses of additional Paying Agent(s) (if any): [Not Applicable]/[ ]

## 8. DISTRIBUTION

If syndicated, names and addresses of Dealers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]

(a) Date of Subscription Agreement / Purchase Agreement: [ ]

(b) Stabilising Manager(s) (if any): [Not Applicable/give name]

If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]

U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA not applicable

Prohibition of sales to EEA retail investors Applicable

Prohibition of sales to UK retail investors Applicable

## TERMS AND CONDITIONS OF THE COVERED BONDS

*The following general terms and conditions, for the relevant Tranches and Series as completed, modified, supplemented and/or replaced by the relevant Applicable Final Terms, as applicable (the “Conditions”) of the Covered Bonds govern the rights and obligations of the Issuer and each Covered Bondholder in relation to the Covered Bonds issued by the Issuer, are agreed by the Issuer and the Dealer or Dealers with whom the Issuer has agreed the issue and purchase of such Covered Bonds (the “relevant Dealer(s)”) at the time of issue. The Applicable Final Terms in relation to any Tranche of Covered Bonds will complete, and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Conditions, modify, supplement and/or replace the following Conditions for the purpose of such Covered Bonds. Reference should be made to “Form of Applicable Final Terms” set out in this Base Prospectus for a description of the content of Applicable Final Terms which will specify which of such terms are to apply in relation to the relevant Series or Tranches of Covered Bonds.*

References herein to the “**Covered Bonds**” shall mean the covered bonds of the Tranche or Series (each as defined below) specified in the Applicable Final Terms (as defined below) issued by Crédit Agricole next bank (Suisse) SA, a Swiss bank and stock corporation (*société anonyme*) incorporated in, and under the laws of, Switzerland under company registration number CHE-102.383.391 with its registered office at Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland (“**CAnb Switzerland**” or the “**Issuer**”) under the Programme.

As used herein, “**Tranche**” means Covered Bonds of a given Series issued on a single issue that are identical in all respects (including as to listing) and “**Series**” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

A Series of Covered Bonds may be listed or admitted to trading, as the case may be, on SIX Swiss Exchange or on such other or further trading venues or markets. The Issuer may also issue unlisted Covered Bonds and/or Covered Bonds not admitted to trading on any market.

The Covered Bonds have the benefit of an agency agreement originally dated on the Programme Closing Date (such agency agreement as amended and/or supplemented and/or restated from time to time, including as amended and restated on 28 July 2022 and as supplemented on 21 June 2023, the “**Agency Agreement**”) between the Issuer, CAnb (Suisse) Hypothèques SA as guarantor, TMF Investments SA as Trustee and the principal paying agent appointed from time to time in relation to the Programme and each Series of Covered Bonds (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent and, together with any other paying agents appointed under the Agency Agreement and/or supplemental agency agreement (a “**Supplemental Agency Agreement**”) (if any), the “**Paying Agents**”, as set out in the Applicable Final Terms, which expression shall include any additional or successor paying agents).

CAnb (Suisse) Hypothèques SA, a stock corporation (*société anonyme*) incorporated in, and under the laws of, Switzerland under company registration number CHE-437.628.502 with its registered office at c/o Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland as guarantor (the “**Guarantor**”) has, pursuant to a guarantee dated on or about the Programme Closing Date between the Guarantor and TMF Investments SA as Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, and as Trustee (the “**Guarantee**”), irrevocably and, following the Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amounts and subject to the terms and conditions of the Guarantee, unconditionally guaranteed in accordance with article 111 CO to the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders the due and punctual performance by the Issuer of its obligations to pay Scheduled Interest and Scheduled Principal on the Covered Bonds in an amount equal to the Guaranteed Amounts. The Guarantor's obligations under the Guarantee constitute direct, unsecured, unsubordinated and, following the service of a Notice to Pay for the relevant amount on the Guarantor, unconditional obligations of the Guarantor.

These Conditions are completed by the Applicable Final Terms prepared in connection with the relevant Series or Tranche of Covered Bonds, which may specify other terms and conditions that will, to the extent so specified or to the extent inconsistent with the Conditions modify, supplement and/or replace the Conditions for the purposes of the Covered Bonds.

Save as provided for in Condition 9 (*Events of Default and Enforcement*), Condition 13 (*Meetings of Covered Bondholders*) and Condition 15 (*Modification*), references herein to the Covered Bonds shall be references to the covered bonds of the Tranche or Series (each as defined above) specified in the Applicable Final Terms.

Any reference to **Covered Bondholders** or **Holders** in relation to any Covered Bonds shall mean if such Covered Bonds are held in the form of Intermediated Securities (as defined below), the person holding such Covered Bonds in a securities account (*compte de titres*) that is in such person's name or, in the case of intermediaries (*dépositaires*), the intermediary (*dépositaire*) holding such Covered Bonds for its own account in a securities account (*compte de titres*) that is in its name.

Copies of these Conditions, the Applicable Final Terms, the Trust Agreement, the Agency Agreement, the Guarantee, the Guarantee Mandate Agreement, the Security Assignment Agreement and the other Transaction Documents are available for inspection during usual business hours on any weekday (public holidays excepted) from the specified offices of CANb Switzerland, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland. In addition, copies of these Conditions and the Applicable Final Terms are available free of charge at the offices of the listing agent appointed for each Tranche of Covered Bonds as indicated in the relevant Applicable Final Terms.

## 1. AMOUNT, DENOMINATION, FORM AND TRANSFERS

- (a) The initial aggregate principal amount of the Covered Bonds is specified in the Applicable Final Terms. All payments in relation to the Covered Bonds will be made in Swiss Francs. The Covered Bonds are issued to the Covered Bondholders in the Specified Denomination(s) specified in the Applicable Final Terms.
- (b) The Covered Bonds have an Extended Due for Payment Date specified in the Applicable Final Terms.
- (c) The Covered Bonds will be issued in uncertificated form (the **Uncertificated Covered Bonds**). Each Tranche of Covered Bonds will be entered into the main register (*registre principal*) of SIX SIS AG (**SIS**) or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange (SIS or any other such intermediary, the **Intermediary**) on or prior to the Issue Date. Once the Uncertificated Covered Bonds are registered in the main register of the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Uncertificated Covered Bonds will constitute intermediated securities (*titres intermédies*) (the **Intermediated Securities**) within the meaning of the FISA.
- (d) So long as the Uncertificated Covered Bonds constitute Intermediated Securities, they may only be transferred or otherwise disposed of by the entry of the transferred Uncertificated Covered Bonds in a securities account (*compte de titres*) of the transferee in accordance with the FISA.
- (e) The records of the Intermediary will determine the principal amount of the Covered Bonds and the number of Covered Bonds held through each participant in the Intermediary.
- (f) No individually certificated Covered Bonds (*papiers-valeurs*) will be printed or delivered. None of the Issuer, the Covered Bondholders, the Principal Paying Agent, the Guarantor or any other party will at any time have the right to effect or demand the conversion of the Uncertificated Covered Bonds into, or the delivery of a permanent global certificate (*certificat global*) or individually certificated securities (*papiers-valeurs*).

## 2. STATUS OF THE COVERED BONDS

The Covered Bonds constitute direct, unsecured, unsubordinated and unconditional obligations of the Issuer and rank *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer and without any preference among themselves, except for such preferences as are provided by any mandatory applicable provision of law.

## 3. THE GUARANTEE

### 3.1 Guarantee of the Covered Bonds

- (a) The payment of the Guaranteed Amounts in respect of the Covered Bonds shall be irrevocably guaranteed by the Guarantor in accordance with the terms and conditions of the Guarantee. However, the Guarantor shall have no obligation under the Guarantee to pay any Guaranteed Amounts when the same shall become Due for Payment under the Covered Bonds or the Guarantee until the Guarantee Activation Date and such obligation shall be subject to the service of a Notice to Pay for the relevant amount on the Guarantor and subject to the provisions set forth in Condition 3.3 (*Limited Recourse against the Guarantor*).

- (b) The obligations of the Guarantor under the Guarantee are direct, unsecured, unsubordinated and, following the Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amounts, unconditional obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank *pari passu* and at least equally with all other present or future, unsecured and unsubordinated obligations of the Guarantor.
- (c) Prior to the issuance of a new (initial or subsequent) Series or Tranche of Covered Bonds, the Issuer shall deliver to the Guarantor an Instruction of the Extension of the Guarantee with respect to such Series or Tranche in accordance with the Guarantee Mandate Agreement, requesting that the Guarantee shall extend to and cover all amounts due and payable under such new Series or Tranche of Covered Bonds to be issued. Upon such Instruction of the Extension of the Guarantee having been duly acknowledged and agreed by the Guarantor, the Guarantee will be extended to such Series or Tranche of Covered Bonds.
- (d) Each Covered Bondholder acknowledges and agrees with the terms and conditions of the Guarantee as set out in the section "*The Guarantee*" of the Base Prospectus and any documents incorporated therein by reference, including, but not limited to the following:
  - (i) any rights under the Guarantee can be exercised exclusively by the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, appointed by each Covered Bondholder pursuant to Condition 12 (*Appointment of Bondholders' Representative*), and no Covered Bondholder may assert any rights or proceed against the Guarantor under the Guarantee for as long as the Bondholders' Representative is entitled to act as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders in accordance with Condition 12 (*Appointment of Bondholders' Representative*);
  - (ii) any obligations of the Guarantor to make any payments under the Guarantee are solely and exclusively to the Principal Paying Agent for distribution to the Covered Bondholders in accordance with the Guarantee;
  - (iii) unless all Covered Bonds are accelerated upon the occurrence of a Guarantor Event of Default, earlier maturing Covered Bonds will be repaid before later maturing Covered Bonds; and
  - (iv) the Guarantee is governed by, and construed in accordance with, the substantive laws of Switzerland and any dispute, controversy or claim arising under, out of or in connection with this Guarantee, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### 3.2 Reliance on Pre-funding Obligations and Cover Pool

Payments by the Guarantor of Guaranteed Amounts in respect of the Covered Bonds and certain other expenses will be met primarily from payments made to the Guarantor by the Issuer under its Pre-funding Obligation and, in the case of failure by the Issuer to comply with its Pre-funding Obligations, from the proceeds of the enforcement of the corresponding part of the Cover Pool Assets applied in discharge of the Pre-funding Obligations and which shall constitute funds available for distribution on the tenth day of each calendar month and, if such day is not a Business Day, the immediately following Business Day (the **Guarantor Payment Date**). The Pre-funding Obligations of the Issuer shall constitute Secured Obligations of the Issuer pursuant to the terms of the Guarantee Mandate Agreement and the Security Assignment Agreement.

### 3.3 Limited Recourse against the Guarantor

Without limiting the generality of, and in addition to the acknowledgments and agreements pursuant to, paragraph (d) of Condition 3.1 (*Guarantee of the Covered Bonds*), each Covered Bondholder acknowledges and agrees that any payment obligations of the Guarantor under or in connection with the Guarantee will, *inter alia*:

- (a) become due only:
  - (i) up to the occurrence of a GED Guarantee Activation Date, on any Guarantor Payment Date; and

- (ii) thereafter, on any date on which amounts are paid or payable in accordance with the Post-Insolvency Priority of Payments; and
- (b) be limited to Guaranteed Amounts Due for Payment in an amount corresponding to a *pro rata* share in the Available Funds after giving effect to the relevant Priority of Payments from time to time pursuant to clause 6 (*Limited Recourse against the Guarantor*) of the Guarantee.

### **3.4 No enforcement against the Guarantor (non-petition)**

Without limiting the generality of, and in addition to, the acknowledgments and agreements pursuant to paragraph (d) of Condition 3.1 (*Guarantee of the Covered Bonds*), each Covered Bondholder acknowledges and agrees that pursuant to the Guarantee and this Condition 3.4 the rights of the Trustee, the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, and each Covered Bondholder to (i) take legal steps or to institute any legal proceedings against the Guarantor or its assets or corporate bodies for the purpose of asserting or enforcing any of its rights or claims against the Guarantor, or (ii) institute any proceedings to procure or initiate any Insolvency Proceedings against the Guarantor shall be limited pursuant to clause 11 (*Non-Petition*) of the Guarantee for as long as the Covered Bonds are outstanding and until the expiry of a period ending 366 days after the date on which all potential liabilities secured by the Guarantee have been discharged or satisfied in full.

### **3.5 Role of the Trustee**

Each Covered Bondholder acknowledges and agrees that:

- (a) the Issuer and the Guarantor have appointed TMF Investments SA as Trustee in accordance with the terms and conditions of the Trust Agreement. Pursuant to the Trust Agreement, the Trustee assumes different roles in relation to the Transaction Documents as more fully described in "*Overview of the principal transaction documents—Trust Agreement*".
- (b) The role of the Trustee is separate and different from the role of the Bondholders' Representative.
- (c) The parties to the Trust Agreement and each Covered Bondholder acknowledge and agree that the role of the Trustee and the role of the Bondholders' Representative should, to the extent possible, at all times be held by the same Person. Therefore:
  - (i) if a new Bondholders' Representative is appointed with respect to one or more Series of Covered Bonds with an Aggregate Principal Amount Outstanding of more than 50 per cent of the Aggregate Principal Amount Outstanding of all Series of Covered Bonds, such Bondholders' Representative shall be appointed as Trustee pursuant to the Trust Agreement, provided that the Issuer and the Guarantor shall have the right to jointly appoint any other Person as Trustee in case it is not feasible in the view of the Guarantor and the Issuer, acting reasonably, for such new Bondholders' Representative to be appointed as Trustee, in each case subject to any provisions of Swiss law mandatorily applicable at the relevant time; and
  - (ii) if a new Bondholders' Representative is appointed with respect to one or more Series of Covered Bonds with an Aggregate Principal Amount Outstanding of 50 per cent. or less of the Aggregate Principal Amount Outstanding of all Series of Covered Bonds, such new Bondholders' Representative shall not be appointed as Trustee under the Trust Agreement. The Trustee will remain and the role of such Bondholders' Representative shall be limited strictly to its authorisation pursuant to paragraph (a) of Condition 12 (*Appointment of Bondholders' Representative*).

## **4. INTEREST**

### **4.1 Rate of Interest**

- (a) The Applicable Final Terms contain provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.1 for full information on the manner in which interest is calculated. In particular, the Applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Final Maturity Date, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.
- (b) Each Covered Bond bears interest from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest. Interest will be



payable in arrears on each Interest Payment Date(s) up to (and including) the Final Maturity Date (if any) subject as provided in this Condition 4.1.

(c) Interest shall be calculated in respect of any period by applying the Rate of Interest to the Aggregate Principal Amount Outstanding of the respective Tranche of Covered Bonds and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Swiss Francs sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(d) In these Conditions:

**Day Count Fraction** means, in respect of the calculation of an amount of interest:

(i) if **Actual/Actual (ICMA)** is specified in the Applicable Final Terms:

(A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the Applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if **30/360** is specified in the Applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12, 30-day months) divided by 360; and

(iii) **Determination Period** means each period from (and including) the Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after such date).

#### 4.2 Interest following a Notice to Pay under the Guarantee

Following an IED Guarantee Activation Date and the service of a Notice to Pay on the Guarantor in relation to an interest amount due under the Covered Bonds but prior to the occurrence of a GED Guarantee Activation Date, the Guarantor shall pay the relevant Guaranteed Amounts in accordance with the terms of the Guarantee and subject to Condition 7 (*Taxation*) in respect of the Covered Bonds on the Original Due for Payment Date or, if applicable, the Extended Due for Payment Date.

#### 4.3 Accrual of interest

(a) Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Covered Bond have been paid; and

(ii) five days after the date on which the full amount of the monies payable in respect of such Covered Bond has been received by the Principal Paying Agent and notice to that

effect has been given to the relevant Covered Bondholders in accordance with Condition 11 (*Notices*).

- (b) Each Covered Bond will cease to bear interest upon the occurrence of a GED Guarantee Activation Date.

## **5. PAYMENTS**

### **5.1 Method of payment**

- (a) All payments required to be made under the Covered Bonds will be made available in good time in freely disposable funds in Swiss Francs to the Principal Paying Agent which shall, where applicable, promptly reimburse each other Paying Agent on demand for payments in respect of such Covered Bonds properly made by such other Paying Agent. Payments in respect of such Covered Bonds will be made irrespective of any present or future transfer restrictions and without regard to any bilateral or multilateral payment or clearing agreement which may be applicable at the time of such payments.
- (b) The receipt by the Principal Paying Agent of the due and punctual payment of funds shall release the Issuer from its payment obligations under the Covered Bonds to the extent of such payment.
- (c) All payments required to be made under the Covered Bonds (including, without limitation, any additional amounts that may be payable under Condition 7 (*Taxation*)) shall be made to the Covered Bondholders in Switzerland in Swiss Francs, without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Covered Bondholder and without certification, affidavit or the fulfilment of any other formality.

### **5.2 Payments subject to fiscal and other laws**

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the Code), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any agreements, law, regulation or other official guidance implementing an intergovernmental agreement or other intergovernmental approach thereto (collectively, **FATCA**).

### **5.3 Payment Day**

If the date for payment of any amount in respect of any Covered Bond is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in Switzerland and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is a Business Day.

### **5.4 Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (b) the Final Redemption Amount of the Covered Bonds;
- (c) the Early Redemption Amount of the Covered Bonds;
- (d) the Optional Redemption Amount(s) (if any) of the Covered Bonds; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Covered Bonds.

Any reference in the Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

## 6. REDEMPTION AND PURCHASE

### 6.1 Redemption at maturity

- (a) Unless previously redeemed or purchased and cancelled as specified below and subject to Condition 3 (*The Guarantee*), each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in the Applicable Final Terms on the Final Maturity Date.
- (b) Without prejudice to Condition 9 (*Events of Default and Enforcement*) but prior to the service of a Guarantor Acceleration Notice on the Guarantor, if:
  - (i) the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Applicable Final Terms (after the expiry of the grace period set out in paragraph (a)(i) of Condition 9.1 (*Events of Default relating to the Issuer*)) with respect to a Series of Covered Bonds; and
  - (ii) following the Guarantee Activation Date and subject to the service of a Notice to Pay for the Guaranteed Amount equal to such Final Redemption Amount on the Guarantor by the date falling one Business Day prior to the Extension Determination Date, the Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amount corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (x) the date which falls two Business Days after service of a Notice to Pay for the relevant amount on the Guarantor or, if later, the Final Maturity Date (in each case after the expiry of the grace period set out paragraph (a)(i) of Condition 9.2 (*Events of Default relating to the Guarantor*)) and (y) the Extension Determination Date,

then (subject as provided below) payment of the unpaid portion of the Final Redemption Amount by the Guarantor under the Guarantee shall be deferred until the Extended Due for Payment Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of sub-clauses (x) and (y) of Condition 6.1(b)(ii) above will be paid by the Guarantor to the extent it has sufficient funds available for distribution under the Guarantee Priority of Payments on any Interest Payment Date applicable to that Series of Covered Bonds thereafter up to (and including) the relevant Extended Due for Payment Date. Failure by the Guarantor to make payment in respect of all or any portion of the Final Redemption Amount on the Final Maturity Date (or such later date within any applicable grace period) shall not constitute a Guarantor Event of Default. For the avoidance of doubt, the Covered Bondholders will continue to have full recourse as against the Issuer in respect of any such amounts owing to them which remain unpaid.

- (c) The Guarantor shall notify the relevant Covered Bondholders (in accordance with Condition 11 (*Notices*)), the Rating Agency, the Trustee and the Principal Paying Agent as soon as reasonably practicable and in any event at least one Business Day prior to the date specified in sub-clauses (x) or (y) of Condition 6.1(b)(ii) above (as appropriate) of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Guarantee on such date.
- (d) In the circumstances outlined above, the Guarantor shall on the earlier of
  - (i) the date falling two Business Days after service of a Notice to Pay for the Guaranteed Amount equal to the relevant Final Redemption Amount or, if later, the Final Maturity Date (in each case after the expiry of the grace period set out in paragraph (a)(i) of Condition 9.2 (*Events of Default relating to the Guarantor*)), and
  - (ii) the Extension Determination Date,

apply the funds available for distribution under the Guarantee (if any) (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) pro rata in part payment of the Guaranteed Amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds.

Interest will continue to accrue and be payable on the unpaid amount of principal of the relevant Series of Covered Bonds in accordance with Condition 4 (*Interest*) and the Guarantor will pay Guaranteed Amounts constituting Scheduled Interest on each Interest Payment Date up to and including the Extended Due for Payment Date, in each case pursuant to the terms and conditions of the Guarantee.

## 6.2 Redemption due to a Regulatory Event

- (a) The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 10 days' notice to the Trustee, the Bondholders' Representative and the Principal Paying Agent and, in accordance with Condition 11 (*Notices*), the Covered Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption), if a Regulatory Event has occurred or, in the reasonable discretion of the Issuer, will occur before the next Interest Payment Date.
- (b) Covered Bonds redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 (*Early Redemption Amounts*) below together (if applicable) with interest accrued to (but excluding) the date of redemption.
- (c) Prior to the publication of any notice of redemption pursuant to this Condition 6.2, the Issuer shall deliver to the Trustee a certificate signed by two authorised persons of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing in reasonable detail that a Regulatory Event has occurred. The Trustee shall accept such certificate as sufficient evidence that a Regulatory Event has occurred.
- (d) A **Regulatory Event** shall have occurred if a change in law or regulation or the interpretation thereof has an adverse impact on any of the terms of the Transaction Documents so that, in the reasonable discretion of the Issuer, performance of any material obligation under such Transaction Documents by either party thereto is substantially impeded or becomes impracticable.

## 6.3 Redemption for Tax Reasons

- (a) The Covered Bonds of all Series may be redeemed at the option of the Issuer (other than due to a Regulatory Event) in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' (or such other minimum and/or maximum period as may be specified in the Applicable Final Terms) notice to the Trustee, the Bondholders' Representative and the Principal Paying Agent and, in accordance with Condition 11 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if:
  - (i) on the occasion of the next payment due under the Covered Bonds, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws, regulations or rulings of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Covered Bonds and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
  - (ii) if the Issuer is prevented by Applicable Law from making payment of the full amount then due and payable.
- (b) Prior to the publication of any notice of redemption pursuant to this Condition 6.3, the Issuer shall deliver to the Trustee (i) a certificate signed by two authorised persons of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment or became prevented by Applicable Law from making such payments, as the case may be, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Covered Bondholders.
- (c) Covered Bonds redeemed pursuant to this Condition 6.3 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 (*Early Redemption Amounts*) below together (if applicable) with interest accrued to (but excluding) the date of redemption.

## 6.4 Redemption at the Option of the Covered Bondholders (Investor Put)

- (a) If **Investor Put** is specified in the Applicable Final Terms, prior to the occurrence of an Issuer Event of Default and service of an Issuer Default Notice on the Issuer, upon the holder of any Covered Bond giving to the Principal Paying Agent not less than 15 nor more than 30 days' notice in accordance with Condition 6.4(b) the Issuer will, upon the expiry of such notice,

redeem, subject to, and in accordance with, the terms specified in the Applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount together, with interest accrued to (but excluding) the Optional Redemption Date.

- (b) To exercise the right to require redemption of such Covered Bond the holder of such Covered Bond must, within the notice period, give notice to the Principal Paying Agent in a form acceptable to the Principal Paying Agent from time to time and transfer the Covered Bonds to be redeemed to the Principal Paying Agent by not later than ten (10) Business Days prior to the relevant Optional Redemption Date.
- (c) Any investor put notice given by a holder of any Covered Bond pursuant to this Condition 6.4 shall be irrevocable and may not be withdrawn, except with the consent of the Issuer.

## **6.5 Early Redemption Amounts**

For the purpose of Condition 6.2 (*Redemption due to a Regulatory Event*), Condition 6.3 (*Redemption for Tax Reasons*) and Condition 9 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at its Early Redemption Amount, which is 100% of the Principal Amount Outstanding of such Covered Bond (or such other Early Redemption Amount as may be specified in the Applicable Final Terms).

## **6.6 Purchases**

- (a) The Issuer, the Guarantor (subject to paragraph (b) of this Condition 6.6 below) or any of their Affiliates may at any time purchase Covered Bonds at any price in the open market or otherwise. Any purchase shall be made in accordance with applicable laws or regulations, including (without limitation) applicable stock exchange regulations.
- (b) The Guarantor may only purchase Covered Bonds in accordance with this Condition 6.6 on or after the occurrence of an IED Guarantee Activation Date, and provided that the Guarantor has provided a certificate to the Trustee signed by a member of the board of directors of the Guarantor certifying that it will have the necessary funds, not subject to the interest of any other person, required to purchase the Covered Bonds and to pay or make provision for any amounts required under the Guarantee Priority of Payments or the Post-Insolvency Priority of Payments, as the case may be, to be paid in priority to or *pari passu* with such Covered Bonds.

Covered Bonds, so purchased, may be held, resold or, at the option of the Issuer or the Guarantor, as applicable, surrendered to any Paying Agent for cancellation.

## **6.7 Cancellation**

All Covered Bonds that are redeemed will forthwith be cancelled. All Covered Bonds so cancelled and any Covered Bonds surrendered to any Paying Agent for cancellation pursuant to Condition 6.6 (*Purchases*) above cannot be reissued or resold.

## **7. TAXATION**

- (a) In accordance with the Swiss Federal Withholding Tax Act of 13 October 1965 (*Loi fédérale du 13 octobre 1965 sur l'impôt anticipé*), all payments of interest in respect of Covered Bonds (periodic, as original issue discount or premium upon redemption) and all payments of corresponding Guaranteed Amounts pursuant to the Guarantee will be made by or on behalf of the Issuer or the Guarantor after deduction or withholding for or on account of Swiss federal withholding tax, currently at the rate of 35 per cent.
- (b) Subject to the exception set forth in Condition 7(a), all payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any governmental or other taxing authority unless such withholding or deduction is required by law. In the event that any such withholding or deduction is imposed in respect of the Covered Bonds by or on behalf of any Tax Jurisdiction, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Covered Bonds after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable by the Issuer to any such holder on account of:

- (i) any such taxes, duties, assessments or other governmental charges imposed in respect of such Covered Bond by reason of the holder thereof having some connection with a Tax Jurisdiction other than the mere holding of such Covered Bond; or
  - (ii) are payable more than 30 days after the Relevant Date except to the extent that the Covered Bondholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
  - (iii) any such taxes where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland changing the Swiss federal withholding tax system from an issuer-based system to a paying-agent-based system pursuant to which a person in Switzerland other than the Issuer is required to withhold tax on any interest payments; or
  - (iv) any combination of two or more items (i) through (iii) above.
- (c) Notwithstanding any other provision of the Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Covered Bonds for, or on account of, any withholding or deduction required pursuant to FATCA.
- (d) Under the terms of the Guarantee, the Guarantor will not be liable to pay any such additional amounts payable by the Issuer under this Condition 7 (*Taxation*) or to pay any additional amounts in respect of any amount withheld or deducted for, or on account of, taxes from a payment by the Guarantor under the Guarantee.
- (e) As used herein:
- (i) **Tax Jurisdiction** means Switzerland, including any authority thereof or therein having power to tax; and
  - (ii) **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the monies payable has not been duly received by the Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 11 (*Notices*).

## 8. PRESCRIPTION

In accordance with Swiss law, claims for payment of principal and interest under the Covered Bonds will become time-barred unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the date on which such payment first became due and payable.

## 9. EVENTS OF DEFAULT AND ENFORCEMENT

### 9.1 Events of Default relating to the Issuer

- (a) If any of the following events (each an “**Issuer Event of Default**”) occurs and is continuing:
- (i) default is made by the Issuer for a period of 10 days or more in the payment of any principal or redemption amount on the Covered Bonds of any Series when due, or for a period of 30 days or more in the payment of interest on any of the Covered Bonds of any Series when due; or
  - (ii) if the Issuer fails to comply with either Pre-Event Test (or any representation, warranty or undertaking given by the Issuer in respect of such Pre-Event Test) and is served a notice by the Assignee in accordance with the Security Assignment Agreement notifying the Assignor that the Asset Coverage Test and/or the Interest Coverage Test is not met on a Pre-Event Test Date (the “**Breach of Test Notice**”), and such Breach of Test Notice has not been revoked on or before the date which is two Business Days after the immediately following Pre-Event Test Date; or
  - (iii) a default is made in the performance or observance by the Issuer of any other material obligation under the provisions of any of the Covered Bonds of any Series or any other Transaction Documents to which the Issuer is a party (including the failure by the Issuer to pay the Guarantee Fee to the Guarantor on an ongoing basis but excluding any obligation pursuant to paragraphs (i) and (ii) of this Condition 9.1 and any undertaking of the Issuer in any capacity under the Transaction Documents to maintain or procure the maintenance of any rating) which remains unremedied for 60 days after written notification by the Trustee requiring such default to be remedied; or

- (iv) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation where all of the assets of the Issuer are transferred to, and all of its debts and liabilities are assumed by, a continuing entity; or
- (v) the Issuer is (or is deemed by an authority of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as they fall due, makes a general assignment or an arrangement or composition with or for the benefit of its creditors generally or a moratorium is agreed or declared in respect of the debts of the Issuer, it being understood that any declaration of a stay ordered in relation to the Issuer by FINMA pursuant to article 30a FBA or in any successor or analogous Swiss law or regulation applicable to the Issuer shall not constitute an Issuer Event of Default; or
- (vi) the Issuer commences a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation or similar law to be adjudicated insolvent or bankrupt, or consents to the entry of a decree or order for relief in any involuntary case or proceeding under any such law,

then the Bondholders' Representative at its sole discretion may, and if (x) so requested in writing by the Covered Bondholders of at least one-fifth in the Aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose means the Covered Bonds of the Series together with the Covered Bonds of all other Series (if any) as if they were a single series) then outstanding or (y) if so directed by an Extraordinary Resolution of the Covered Bondholders, shall (but in the case of the happening of any of the events described in paragraph (a)(iii) of this Condition 9.1, only if the Bondholders' Representative shall have certified in writing to the Issuer and the Cash Manager that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) give notice (an “**Issuer Default Notice**”) in writing to the Issuer that the Covered Bonds of all Series shall, in relation to the Issuer only, thereupon immediately become, due and repayable at their Early Redemption Amount together with accrued interest unless such Issuer Event of Default shall have been remedied prior to the receipt of such notice by the Issuer, provided that with respect to paragraphs (iv), (v) and (vi) of Condition 10.1(a) none of (i) the opening of CAnb Switzerland Restructuring Proceedings, (ii) the exercise of any Swiss Resolution Power with respect to the Issuer other than with respect to the Covered Bonds, (iii) the ordering of any Restructuring Protective Measures with respect to the Issuer other than with respect the Covered Bonds, and (iv) any consequences resulting from any of the foregoing, will constitute an Issuer Event of Default. However, any consequences resulting from any Non-Restructuring Protective Measures that would otherwise constitute an Issuer Event of Default will constitute an Issuer Event of Default with respect to such Covered Bonds.

- (b) The Bondholders' Representative shall send a copy of the Issuer Default Notice to the Guarantor, the Trustee and the Bondholders' Representative of other Series (if any) to notify the Covered Bondholders thereof in accordance with Condition 11 (*Notices*).
- (c) Following the occurrence of an Issuer Event of Default and service by the Bondholders' Representative of an Issuer Default Notice on the Issuer pursuant to Condition 9.1(a) above, the Trustee shall promptly serve on the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent and the Collateral Holding Agent and, with regards to the Notice to Pay to the Corporate Services Provider) (i) a guarantee activation notice (the “**Guarantee Activation Notice**”), substantially in the form set out in schedule 2 (*Form of Guarantee Activation Notice*) to the Guarantee, requiring the Guarantor to pay the Guaranteed Amounts as and when the same are Due for Payment in accordance with the terms of the Guarantee, and (ii) an initial notice to pay (a “**Notice to Pay**”) substantially in the form set out in schedule 3 (*Form of Notice to Pay*) to the Guarantee for the Guaranteed Amounts (A) then due and payable on the Covered Bonds as at such date, and (B) falling due and payable in the 65 Business Day period commencing on such date. The Guarantor shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Guarantee.
- (d) If the Trustee – following the occurrence of an Insolvency Event with respect to the Trustee – automatically ceases to be a party to the Transaction Documents to which it is a party in accordance with the provisions set out in the respective Transaction Documents, or if the Trustee fails to deliver a Guarantee Activation Notice and/or a Notice to Pay in accordance with paragraph (c) of this Condition 9.1 within a reasonable time period and such failure is

continuing, the Bondholders' Representative, as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, shall be entitled to deliver such Guarantee Activation Notice and/or Notice to Pay.

- (e) Following receipt of each Notice to Pay, the Trustee, on behalf of the Guarantor, shall serve without delay a Guarantee Pre-funding Notice on the Issuer in accordance with clause 7.1 of the Guarantee Mandate Agreement, and the Guarantor shall pay the Guaranteed Amounts to the Principal Paying Agent pursuant to the terms of the Guarantee and the Guarantee Priority of Payments on the date on which the relevant Guaranteed Amount is Due for Payment.

## 9.2 Events of Default relating to the Guarantor

- (a) If any of the following events (each a “**Guarantor Event of Default**”) occurs and is continuing:
  - (i) default is made by the Guarantor for a period of seven (7) days or more in the payment of any Guaranteed Amount when Due for Payment in respect of the Covered Bonds of any Series; or
  - (ii) default is made in the performance or observance by the Guarantor of any material obligation (other than the obligations pursuant to (i) above or (iii) below) binding upon it under the Transaction Documents to which the Guarantor is a party which remains unremedied for 30 days after written notification by the Trustee to the Guarantor, requiring such default to be remedied (except where, in the sole and absolute opinion of the Trustee, such breach is not capable of remedy, in which case no such period of continuation will apply and no such notice will be required); or
  - (iii) the Guarantor breaches the Amortisation Test (as set out in the Security Assignment Agreement) on any Test Date following service of the Guarantee Activation Notice and a Notice to Pay; or
  - (iv) an order becomes final and non-appealable or an effective resolution is passed for the liquidation or winding up of the Guarantor; or
  - (v) an administrator (*commissaire au sursis*) is appointed in relation to the Guarantor or in relation to the whole or any part of its assets; or
  - (vi) the Guarantor is adjudicated bankrupt,

the Bondholders' Representative at its sole discretion may, and if (x) so requested in writing by the Covered Bondholders of at least one-fifth in the Aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose means the Covered Bonds of the relevant Series together with the Covered Bonds of all other Series (if any) as if they were a single series) then outstanding or if (y) so directed by an Extraordinary Resolution shall (but in the case of the occurrence of any of the events described in paragraph (a)(ii), only if the Bondholders' Representative shall have certified in writing to the Guarantor and the Cash Manager that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series), give notice (a “**Guarantor Acceleration Notice**”) in writing to the Guarantor and the Issuer that (a) each Covered Bond is, and that Covered Bonds shall, as against the Issuer (if not already due and repayable against it following the occurrence of an Issuer Event of Default) and as against the Guarantor, thereupon immediately become, due and repayable at its Early Redemption Amount together with (subject to Condition 5 (*Payments*)) accrued interest; and (b) all Guaranteed Amounts corresponding to the Early Redemption Amount for each Covered Bond together with all accrued and unpaid interest and all amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever they arose) and all other amounts payable by the Guarantor under the Guarantee with respect to the Covered Bonds become due and payable by the Guarantor in accordance with the Guarantee.

- (b) The Trustee shall, immediately upon delivery of the Guarantor Acceleration Notice, serve a corresponding Notice to Pay for all Guaranteed Amounts on the Guarantor.

## 10. PAYING AGENTS

- (a) The initial Paying Agent is set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the Applicable Final Terms.



- (b) The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:
  - (i) there will at all times be a Principal Paying Agent;
  - (ii) as long as the Covered Bonds are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
  - (iii) as long as any Covered Bonds denominated in Swiss Francs are listed on SIX Swiss Exchange, the Issuer will at all times maintain a Paying Agent having a specified office in Switzerland. At no time will the Issuer maintain a Paying Agent having a specified office outside of Switzerland in respect of Swiss Franc denominated Covered Bonds listed on SIX Swiss Exchange.
- (c) Notice of any variation, termination, appointment or change shall be given promptly to the Covered Bondholders in accordance with Condition 11 (*Notices*).
- (d) In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to or relationship of agency or trust with, any Covered Bondholders.

## 11. NOTICES

The Issuer shall, if and for so long as the Covered Bonds are listed on SIX Swiss Exchange and so long as the rules of SIX Exchange Regulation AG so require, cause the Principal Paying Agent to publish any notice in respect of the Covered Bonds either (i) by means of electronic publication on the internet website of SIX Swiss Exchange (where notices are currently published under the address [https://www.ser-ag.com/en/resources/notifications-market-participants/official\\_notices.html#/](https://www.ser-ag.com/en/resources/notifications-market-participants/official_notices.html#/)) or (ii) otherwise in accordance with the regulations of SIX Swiss Exchange. Any notice so given shall be deemed to be validly given on the date of such publication or, if published more than once, on the date of the first such publication. The Issuer shall also ensure that notices in respect of the Covered Bonds are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Covered Bonds are for the time being listed or by which they have been admitted to trading.

If the Covered Bonds are for any reason no longer listed on SIX Swiss Exchange, notices to Covered Bondholders shall be given to the Intermediary through the Principal Paying Agent to the Covered Bondholders, which notice will be deemed to be validly given on the date of the communication to the Intermediary. In the case of Covered Bonds that are not listed on SIX Swiss Exchange, notices to Covered Bondholders shall be given by the Issuer in the manner specified in the Applicable Final Terms. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

In addition to any notice requirements described above any notice relating to a Meeting or the result of the voting on any Resolution shall be published by the Issuer in the Swiss Official Gazette of Commerce.

## 12. APPOINTMENT OF BONDHOLDERS' REPRESENTATIVE

- (a) The Issuer and each Covered Bondholder hereby appoint and authorise the Trustee to act as bondholders' representative in the sense of article 1158 et seq. CO (*représentant de la communauté*) for the purposes of the Conditions and the Guarantee (the **Bondholders' Representative**).

The Bondholders' Representative is hereby authorised in the sense of article 1159 CO by each Covered Bondholder to accept and execute as direct representative (*représentant direct*) the Guarantee and to hold, administer and, if necessary, enforce any rights under the Guarantee on behalf of the Covered Bondholders.

If a new Bondholder Representative is appointed with respect to one or more Series of Covered Bonds pursuant to these Conditions, such new Bondholder Representative shall, with effect as of the appointment of the new Bondholders' Representative, act as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders of the relevant Series of Covered Bonds.

To the extent that the Bondholders' Representative is entitled to act as bondholders' representative pursuant to this Condition 12(a), no Covered Bondholder may independently exercise any rights under the Conditions and the Guarantee.

- (b) The Issuer and each Covered Bondholder acknowledge and agree that:
- (i) the Bondholders' Representative may seek directions from or resolutions of the Covered Bondholders in the form of an Extraordinary Resolution at any time pursuant to Condition 13 (*Meetings of Covered Bondholders*) and shall not be liable with respect to any action taken or omitted to be taken in accordance with such direction or resolution;
  - (ii) the Bondholders' Representative shall be protected and shall incur no Liability for or in respect of any action taken or not taken by it, except for Liabilities as a result of wilful misconduct, wilful default or gross negligence of the Bondholders' Representative; and
  - (iii) the Bondholders' Representative will not be responsible for (A) supervising the performance by the Issuer and its obligations under the Conditions and the Bondholders' Representative will be entitled to assume, until it has received written notice to the contrary, that the Issuer is properly performing its duties; (B) considering the basis on which approvals or consents are granted by the Issuer; or (C) monitoring the Cover Pool, including, without limitation, compliance with the Asset Coverage Test, the Interest Coverage Test or the Amortisation Test.

### 13. MEETINGS OF COVERED BONDHOLDERS

The Issuer may convene Meetings at any time and will be obliged to do so within 20 calendar days upon a request in writing from the Bondholders' Representative or by Covered Bondholders representing not less than 5 per cent. of the Aggregate Principal Amount Outstanding of the relevant Series of Covered Bonds, subject to the Bondholder Provisions and applicable regulations referred to therein.

### 14. WAIVER, AUTHORISATION AND DETERMINATION

- (a) Subject to Condition 14(b) below, the Bondholders' Representative may, and each Covered Bondholder hereby authorises the Bondholders' Representative to, on behalf of the Covered Bondholders, without further consent of any Covered Bondholder of any Series and without prejudice to its rights in respect of any subsequent breach and/or Issuer Event of Default from time to time and at any time but only if and in so far as in its sole and absolute opinion the interests of the Covered Bondholders of any Series will not be materially prejudiced thereby, on such terms and subject to such conditions as it shall seem expedient, waive or authorise any breach or proposed breach by the Issuer, the Assignor or the Guarantor of any of the covenants or provisions contained in the Conditions and/or the Guarantee or determine that any Issuer Event of Default or Guarantor Event of Default shall not be treated as such. **Provided that** the Bondholders' Representative shall not exercise any powers conferred on it by this Condition 14 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 (*Events of Default and Enforcement*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver or authorisation may be given or made on such terms and subject to such conditions (if any) as the Bondholders' Representative may determine and shall be notified by the Issuer or the Guarantor (as the case may be) to the Covered Bondholders in accordance with Condition 11 (*Notices*) and in any event to the Rating Agency, as soon as practicable thereafter.
- (b) The Bondholders' Representative shall not be bound to waive or authorise any breach or proposed breach, unless the Bondholders' Representative has, to the fullest extent permitted by law, been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities which it may thereby render itself liable for or which it may incur by so doing (either by reimbursement of costs, its ranking in the relevant Priority of Payments or in any other way it deems appropriate), except for liabilities as a result of wilful misconduct, wilful default or gross negligence of the Bondholders' Representative.
- (c) Pursuant to the Trust Agreement, the Trustee may and is authorized, without further consent of any Covered Bondholder of any Series, at any time and from time to time, to waive or authorise any breach or proposed breach of any of the covenants or provisions contained in the Transaction Documents (other than the Conditions and/or the Guarantee) under certain conditions as more fully described in "*Overview of Principal Transaction Documents–Trust Agreement*".

- (d) This Condition 14 shall be subject to mandatorily applicable provisions of Swiss law applicable at the relevant time.

## 15. MODIFICATION

- (a) The Bondholders' Representative may, and each Covered Bondholder hereby authorises the Bondholders' Representative, on behalf of the Covered Bondholders, without further consent of any Covered Bondholder of any Series, at any time and from time to time to concur with the Issuer, the Assignor, the Guarantor or any other person in any modification to the Conditions and/or the Guarantee, which in the opinion of the Bondholders' Representative may be proper to make, **provided that** the Bondholders' Representative is of the opinion (in its sole and absolute discretion) that such modification, (i) will not be materially prejudicial to the interests of the Covered Bondholders of any Series, or (ii) is of a formal, minor or technical nature or (iii) is necessary to correct a manifest error or an error which is, in the opinion of the Bondholders' Representative, not materially prejudicial to the interests of the Covered Bondholders; and further **provided that** the Bondholders' Representative shall not exercise any powers conferred on it by this Condition 15 (*Modification*) in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9 (*Events of Default and Enforcement*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

- (b) Each Covered Bondholder hereby authorises and instructs the Bondholders' Representative to, without further consent of any Covered Bondholder, agree on any modification of the Conditions and the Guarantee that the Issuer considers necessary:

- (i) to comply with any requirements which apply to it under the FMIA, EMIR or any other applicable national or international legislation or regulation of a similar nature;
- (ii) for the purpose of entering into Swap Agreements;
- (iii) for the purpose of implementing a Ratings Modification;
- (iv) for the purpose of enabling the Covered Bonds or a Series to be (or to remain) listed on SIX Swiss Exchange;
- (v) for the purpose of enabling the Covered Bonds or a Series to be (or to remain) included in the Swiss Bond Index by SIX Swiss Exchange; and/or
- (vi) for the purpose of complying with any changes in any Applicable Law and/or requirement of law relating to Swiss tax law or in any requirement of any Tax Authority,

**provided that:**

- (x) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Bondholders' Representative;
  - (y) the Issuer certifies to the Bondholders' Representative that any such requested amendment is to be made solely for one or more of the purposes set out in paragraphs (i) to (iv) of this Condition 15 and has been drafted solely to that effect; and
  - (z) the proposed modification complies with Condition 15(a) above *mutatis mutandis*.
- (c) The Bondholders' Representative shall not be bound to concur in any modification pursuant to this Condition 15,
- (i) unless the Bondholders' Representative has, to the fullest extent permitted by law, been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities which it may thereby render itself liable for or which it may incur by so doing (either by reimbursement of costs, its ranking in the relevant Priority of Payments or in any other way it deems appropriate), except for liabilities as a result of wilful misconduct, wilful default or gross negligence of the Bondholders' Representative,
  - (ii) if such modification would have the effect of increasing the obligations or duties, or decreasing the protection of the Bondholders' Representative, as applicable, in the Conditions or the Guarantee or of otherwise prejudicing the interests of the Bondholders' Representative.
- (d) Pursuant to the Trust Agreement, the Trustee is authorized to agree to modifications of Transaction Documents other than the Conditions or the Guarantee without the consent of the

Covered Bondholders, as more fully described in "*Overview of Principal Transaction Documents—Trust Agreement*".

- (e) This Condition 15 shall be subject to mandatorily applicable provisions of Swiss law applicable at the relevant time.
- (f) Unless the Bondholders' Representative agrees otherwise, the Issuer shall cause any modifications pursuant to this Condition 15 to be notified to the Covered Bondholders in accordance with the Conditions, as soon as practicable after any of them have been made.

## 16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Covered Bondholders to create and issue further covered bonds having terms and conditions the same as the Covered Bonds or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds.

## 17. SEVERABILITY

If at any time any one or more of the provisions of the Conditions is or becomes unlawful, invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

## 18. GOVERNING LAW AND JURISDICTION

### 18.1 Governing Law

These Conditions and the Covered Bonds are governed by, and shall be construed in accordance with, the laws of Switzerland.

### 18.2 Jurisdiction

- (a) Any dispute that might arise based on these Conditions or the Covered Bonds shall fall within the exclusive jurisdiction of the courts of the Republic and Canton of Geneva, Switzerland.
- (b) The above-mentioned jurisdiction is also exclusively valid for the declaration of cancellation of the Covered Bonds.

## 19. DEFINITIONS

In these Conditions, the following expressions have the following meanings:

**Account Bank** means Crédit Agricole next bank (Suisse) SA or any alternative or successor account bank appointed from time to time in accordance with the terms of the Master Bank Account Agreement.

**Affiliates** means, in relation to any person, a Subsidiary of that person or a holding company of that person or any other Subsidiary of that holding company.

**Agency Agreement** has the meaning given to it in the recitals of these Conditions.

**Aggregate Principal Amount Outstanding** means, at any time, the sum of the Principal Amount Outstanding of each Covered Bond.

**Amortisation Test** has the meaning given to it in section "*Credit Structure—Amortisation Test*" of the Base Prospectus.

**Applicable Final Terms** means the final terms document substantially in the form set out in section "*Form of Applicable Final Terms*" of the Base Prospectus which is prepared in connection with the issuance of a Tranche or Series of Covered Bonds and each reference to "Applicable Final Terms" in these Conditions shall be a reference to the Applicable Final Terms for the relevant Series or Tranche of Covered Bonds.

**Applicable Law** means, with respect to any Persons, all provisions of law, treaty, rule or regulation, or a final determination of a Governmental Authority applicable to such Person.

**Appointee** means any attorney, manager, agent, delegate, nominee or other person appointed by the Trustee under the Trust Agreement.

**Asset Coverage Test** has the meaning given to it in section "*Credit Structure—Asset Coverage Test*" of the Base Prospectus.

**Asset Monitor** means the Initial Asset Monitor or any successor asset monitor appointed from time to time.

**Asset Monitor Agreement** means the asset monitor agreement entered into on or about the Programme Closing Date between the Guarantor, the Issuer, the Asset Monitor and the Trustee as further described in section "Overview of the Principal Transaction Documents—Asset Monitor Agreement" of the Base Prospectus.

**Assigned Mortgage Claims** means any and all Mortgage Claims assigned by the Assignor to the Guarantor under the Security Assignment Agreement from time to time other than the Reassigned Mortgage Claims.

**Assignee** means CANb (Suisse) Hypothèques SA, c/o Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland.

**Assignor** means Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland.

**Authorised Investments** means

- a. CHF denominated securities, demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper) which either (i) have a long-term rating of at least 'A' by Fitch (or its equivalent by two other internationally recognised rating agencies) or (ii) have a short-term rating of at least 'F1' by Fitch (or its equivalent by two other internationally recognised rating agencies)
- b. investments in money market funds or other liquidity products similar to money market funds which have a money market fund rating of 'AAAmf' by Fitch (or its equivalent by two other internationally recognised rating agencies); or
- c. securities issued by the Pfandbriefbank Schweizerischer Hypothekarinstitute AG or the Pfandbriefzentrale der schweizerischen Kantonalbanken AG provided that such investments are rated at least Aaa by Moody's,

provided that in each case, the Authorised Investments shall mature on or before the next following Guarantor Payment Date and be in the form of intermediated securities (*titres intermédiés*) as defined in the FISA. The definition of Authorised Investments shall be subject to the rating agency condition.

**Available Funds** has the meaning given to it in clause 6(a) of the Guarantee as set out in section "The Guarantee" of the Base Prospectus.

**Base Prospectus** means the base prospectus within the meaning of article 45 FinSA prepared in connection with the Programme by the Issuer and the Guarantor, as revised, amended and/or supplemented from time to time for the relevant public offering and/or admission to trading on a Swiss trading venue of a specific Tranche of Covered Bonds.

**BIO-FINMA** means the Swiss Federal Ordinance of the Swiss Financial Market Supervisory Authority on the Insolvency of Banks and Securities Dealers of 30 August 2012, as amended from time to time.

**Bondholder Provisions** means articles 1157 to 1186 CO, as amended from time to time.

**Bondholders' Representative** means the Trustee as appointed pursuant to Condition 12(a) (*Appointment of Bondholders' Representative*) or any successor Bondholders' Representative appointed pursuant to the Bondholder Provisions for any Series of Covered Bonds. If more than one Bondholders' Representative is appointed as successor Bondholders' Representative, "Bondholders' Representative" shall mean any Bondholders' Representative so appointed.

**Broken Amount** means the broken amount as specified in the Applicable Final Terms.

**Business Day** means a day, other than a Saturday or Sunday, on which banks are open for business in Zurich.

**Calculation Amount** means the calculation amount as specified in the Applicable Final Terms.

**Calculation Date** means the fifth day of each calendar month and if such day is not a Business Day, the immediately following Business Day.

**CANb Switzerland Restructuring Proceedings** means Restructuring Proceedings with respect to the Issuer.

**Cash Management Agreement** means the cash management agreement entered into on or about the Programme Closing Date between the Guarantor, the Cash Manager, the Corporate Services Provider, the Assignor and the Trustee as further described in section "Overview of the Principal Transaction Documents—Cash Management Agreement" of the Base Prospectus.

**Cash Manager** means the Initial Cash Manager or any successor cash manager appointed from time to time.

**CC** means the Swiss Federal Civil Code (*Code civil suisse*) of 10 December 1907, as amended from time to time.

**CHF** or **Swiss Francs** means the lawful currency of Switzerland.

**CHF Equivalent** means in relation to an obligation which is denominated in (i) a currency other than CHF, the CHF equivalent of the relevant amount converted into CHF at the Spot Rate, as applicable, and (ii) CHF, the applicable amount in CHF.

**CO** means the Swiss Federal Code of Obligations (*Code suisse des obligations*) of 30 March 1911, as amended from time to time.

**Collateral Holding Agent** means the Initial Collateral Holding Agent or any successor collateral holding agent appointed from time to time under the Collateral Holding Agreement.

**Collateral Holding Agreement** means the collateral holding agreement entered into on the Programme Closing Date between, *inter alia*, the Guarantor, the Collateral Holding Agent and the Assignor as further described in section "Overview of the Principal Transaction Documents—Collateral Holding Agreement" of the Base Prospectus.

**Corporate Services Agreement** means the corporate services agreement entered into on or about the Programme Closing Date between the Guarantor and the Corporate Services Provider as further described in section "Overview of the Principal Transaction Documents—Corporate Services Agreement" of the Base Prospectus.

**Corporate Services Provider** means the Initial Corporate Services Provider or any successor corporate services provider appointed from time to time under the Corporate Services Agreement.

**Cover Pool** means the entire pool of Cover Pool Assets.

**Cover Pool Assets** means, from time to time, (i) the Mortgage Security and (ii) the Substitute Assets.

**Cover Pool Bank Account** means the cover pool bank account, denominated in CHF, established in the name of the Guarantor in accordance with the Master Bank Account Agreement.

**Cover Pool Custody Account** means the cover pool custody account, denominated in CHF, established in the name of the Guarantor in accordance with the Master Bank Account Agreement.

**Cover Pool Swap** means each interest rate swap transaction governed by a Swap Agreement where the notional amount references (or is otherwise related to) Cover Pool Assets.

**Covered Bondholder** has the meaning given to it in the recitals of these Conditions.

**Covered Bonds** has the meaning given to it in the recitals of these Conditions.

**Covered Bond Swap** means each interest rate swap transaction governed by a Swap Agreement where the notional amount references (or is otherwise related to) Covered Bonds.

**Day Count Fraction** has the meaning given to it in Condition 4.1(d) (*Rate of Interest*).

**Dealers** means any dealer(s) appointed from time to time by the Issuer under the Programme either generally for the Programme or in relation to a particular Series or Tranche of Covered Bonds in accordance with the terms of the Programme Agreement and/or each relevant Subscription Agreement and/or any New Dealer(s) and excludes any entity whose appointment has been terminated pursuant to the Programme Agreement, and references to the **relevant Dealer** shall, in relation to any Covered Bond, be references to the Dealer or Dealers with whom the relevant Issuer has agreed the issue and purchase of such Covered Bond and **Dealer** means any one of them.

**Determination Date(s)** means the determination date(s) as specified in the Applicable Final Terms.

**Determination Period** means each period from (and including) the Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after such date).

**Due for Payment** means the requirement by the Guarantor to pay any Guaranteed Amounts:

- a. prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor:
  - i. on each Scheduled Payment Date for the payment of such Guaranteed Amounts, or, if later, the day which is two Business Days following the IED Guarantee Activation Date in respect of such Guaranteed Amounts or each Interest Payment Date that would have applied if the Final Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date (the **Original Due for Payment Date**); and
  - ii. in relation to any Guaranteed Amounts representing the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds, on the Extended Due for Payment Date, but only to the extent that the Guarantor, having received the Guarantee Activation Notice and Notice to Pay for the

relevant Guaranteed Amount no later than the date falling one Business Day prior to the Extension Determination Date, does not pay the relevant Guaranteed Amount corresponding to the full amount of the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date, because the Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay such Guaranteed Amount in full on the earlier of (1) the date which falls two Business Days after service of the Guarantee Activation Notice and Notice to Pay for the relevant Guaranteed Amount on the Guarantor or, if later, the Final Maturity Date (in each case after the expiry of the grace period set out in Condition 9.2 (*Events of Default and Enforcement – Events of Default relating to the Guarantor*)) and (2) the Extension Determination Date,

or, if, in either case, such day is not a Business Day, on the next following Business Day. For the avoidance of doubt, the term Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise save as provided in paragraph b. below; or

- b. following the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor, on the date on which such Guarantor Acceleration Notice is served on the Issuer and the Guarantor.

**Early Redemption Amount** is the amount corresponding to 100% of the Principal Amount Outstanding of such Covered Bond (or such other Early Redemption Amount as may be specified in the Applicable Final Terms).

**EMIR** means Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

**Excluded Scheduled Interest Amounts** means any additional amounts relating to premiums, default interest or interest upon interest payable in respect of the Covered Bonds in accordance with these Conditions following the occurrence of an Issuer Event of Default or, as applicable, a Guarantor Event of Default.

**Excluded Scheduled Principal Amounts** means any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest payable in respect of the Covered Bonds in accordance with the Conditions following the occurrence of an Issuer Event of Default or, as applicable, a Guarantor Event of Default.

**Extended Due for Payment Date** means, in relation to any Series of Covered Bonds, the date specified as such in the Applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred under certain circumstances in the event that the Final Redemption Amount is not paid in full by the Extension Determination Date.

**Extension Determination Date** means, in relation to a Series of Covered Bonds, the date falling two Business Days after the expiry of seven days from (and including) the Final Maturity Date of such Series of Covered Bonds.

**Extraordinary Resolution** means a resolution (or, where required as a matter of the Bondholder Provisions, separate resolutions by each Series of Covered Bonds) passed by the Requisite Percentage of the relevant Covered Bondholders at a Meeting duly convened and held in accordance with Condition 14 (*Meetings of Covered Bondholders*) and, if required under article 1176 CO, approved by the competent higher cantonal composition authority (*autorité cantonale supérieure en matière de concordat*) in Switzerland.

**FBA** means the Swiss Federal Act on Banks and Savings Institutions (*loi sur les banques*) of 8 November 1934, as amended from time to time.

**Final Maturity Date** means the Interest Payment Date specified as such in the Applicable Final Terms, which is the date on which each Series of Covered Bonds will, subject to Conditions 6.1(b), be redeemed at their Principal Amount Outstanding.

**Final Redemption Amount** means, in relation to any Series of Covered Bonds, the amount due on the Applicable Final Maturity Date of such Covered Bonds as set out in the Applicable Final Terms.

**FINMA** means the Swiss Financial Market Supervisory Authority FINMA or any successor thereof.

**FinSA** means the Swiss Federal Financial Services Act of 15 June 2018 (*Finanzdienstleistungsgesetz*), as amended from time to time.

**FinSO** means the Swiss Federal Ordinance on Financial Services of 6 November 2019 (*Finanzdienstleistungsverordnung*), as amended from time to time.

**First Amended and Restated Master Definition Schedule** means the Original Master Definitions Schedule dated as of 18 August 2020, as amended and restated on 23 July 2021.

**FISA** means the Swiss Federal Intermediated Securities Act of 3 October 2008 (*loi fédérale sur les titres intermédies*), as amended from time to time.

**FMIA** means the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 (*loi fédérale sur les infrastructures des marchés financiers et le comportement sur le marché en matière de négociation de valeurs mobilières et de dérivés*), as amended from time to time, or any similar or successor law applicable to financial institutions such as the Collateral Holding Agent in Switzerland.

**GED Guarantee Activation Date** means, following a Guarantor Event of Default, the date on which a Guarantor Acceleration Notice is served on the Guarantor.

**General Bank Account** means the general bank account, denominated in CHF, established in the name of the Guarantor pursuant to the Master Bank Account Agreement.

**General Conditions** means the "general conditions" (*conditions générales*) or any other general conditions governing the business relationship between the relevant Account Bank and its customers.

**General Recourse and Indemnity Obligation** means the obligation of the Issuer to reimburse and indemnify the Guarantor for any and all Increased Corporate Service Provider or Cash Manager Expenses paid by the Guarantor and all other expenses, costs, damages and losses paid or incurred by the Guarantor in accordance with the Guarantee Mandate Agreement as a result of non-compliance by the Issuer of any representations, warranties or undertakings as set out in the Guarantee Mandate Agreement or as a result of any payment default by the Issuer under the Covered Bonds as set out in the Guarantee Mandate Agreement (save to the extent the Guarantor has already been compensated by the Issuer under any other Pre-funding Obligation or any other Recourse and Indemnity Obligation and certain increased costs or losses caused by the Guarantor's own gross negligence or wilful default in complying with its representations, warranties or obligations under the Transaction Documents).

**General Recourse and Indemnity Pre-funding Obligation** means the obligation of the Issuer to pre-fund any and all amounts covered by the General Recourse and Indemnity Obligation and payable by the Guarantor to a third party from time to time by payment to the General Bank Account of the relevant amount as specified by the Guarantor in writing in a notice (the "**General Indemnity Pre-funding Notice**"), in accordance with the Guarantee Mandate Agreement with value no later than (i) one Business Day after receipt of the General Indemnity Pre-funding Notice, or (ii) such other date as specified in the General Indemnity Pre-funding Notice, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Guarantor to the respective third party.

**Governmental Authority** means any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

**Guarantee** has the meaning given to it in the recitals of these Conditions.

**Guarantee Activation Date** means the earlier of the IED Guarantee Activation Date or the GED Guarantee Activation Date.

**Guarantee Activation Notice** means a notice served on the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent and the Collateral Holding Agent) following the occurrence of an Issuer Event of Default and service by the Bondholders' Representative of an Issuer Default Notice on the Issuer in accordance with Clause 4 (b) (*Payments under the Guarantee*) in the form or substantially in the form set out in schedule 2 (*Form of the Guarantee Activation Notice*) of the Guarantee.

**Guarantee Expenses** means the Nominal Amount of any and all sums paid or payable by or on behalf of the Guarantor to (i) the Trustee, any Appointee, the Principal Paying Agent or the Covered Bondholders (including the Guaranteed Amounts) under the Guarantee upon receipt of a Notice to Pay in accordance with the Guarantee or (ii) to third parties not party to the Intercreditor Agreement in relation to any and all liabilities, claims, costs and expenses (including reasonable attorney's fees) which the Guarantor may suffer, sustain or incur in connection with the Guarantee or the preservation and enforcement of the Guarantor's related rights under the Guarantee Mandate Agreement, including without limitation, legal proceedings relating to (x) any court order, injunction, or other process decree etc. re-straining or seeking to restrain the Guarantor from paying any amount under any Guarantee or (y) the enforcement of the Guarantee Pre-funding Obligation and the Guarantee Recourse and Indemnity Obligation.

**Guarantee Fee** means the fee paid by the Issuer to the Guarantor in accordance with the Guarantee Mandate Agreement as consideration for the issuance by the Guarantor of the Guarantee in respect of the Covered Bonds issued on the first Issue Date and each extension of the Guarantee in respect of each additional Series or Tranche of Covered Bonds.



**Guarantee Mandate Agreement** means the guarantee mandate agreement dated on or about the Programme Closing Date between the Issuer and the Guarantor as further described in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement*" of the Base Prospectus.

**Guarantee Mandate Pre-funding Obligation** means each of the Guarantee Pre-funding Obligation, the Swap Termination Payment Pre-funding Obligation and the General Recourse and Indemnity Pre-funding Obligation.

**Guarantee Pre-Funding Notice** means the notice served by the Trustee, on behalf of the Guarantor, on the Issuer for the relevant amount of Guarantee Expenses following the receipt of a Guarantee Activation Notice or Guarantor Acceleration Notice (as the case may be) and a Notice to Pay for the relevant amount by the Guarantor.

**Guarantee Pre-Funding Obligation** means the obligation of the Issuer to pre-fund (that is, pay) the relevant amount of Guarantee Expenses, as specified in a Guarantee Pre-funding Notice, in accordance with the Guarantee Mandate Agreement.

**Guarantee Priority of Payments** means the guarantee priority of payments set out in section "*Cash Flows—Allocation and distribution of amounts following the IED Guarantee Activation Date—Guarantee Priority of Payments*" of the Base Prospectus.

**Guarantee Recourse and Indemnity Obligations** means, save to the extent the Guarantor has already been compensated under the Guarantee Pre-funding Obligation, the obligation of the Issuer to reimburse and indemnify the Guarantor for any and all Guarantee Expenses which are paid by the Guarantor, in accordance with the Guarantee Mandate Agreement.

**Guaranteed Amounts** means, (a) prior to the GED Guarantee Activation Date, with respect to any Original Due for Payment Date, or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on such Original Due for Payment Date, or, if applicable, such Extended Due for Payment Date, and (b) following a GED Guarantee Activation Date, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all other amounts payable by the Guarantor (under the Guarantee) with respect to a relevant Series of Covered Bonds.

**Guarantor** has the meaning given to it in the recitals of these Conditions.

**Guarantor Acceleration Notice** means a notice in writing given by the Bondholders' Representative to the Issuer and the Guarantor that: (a) each Covered Bond is, and that Covered Bond shall as against the Issuer (if not already due and repayable against it following the occurrence of an Issuer Event of Default) and as against the Guarantor thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest (subject to Condition 5 (*Payments*)); and (b) all Guaranteed Amounts corresponding to the Early Redemption Amount for each Covered Bond together with all accrued and unpaid interest and all amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever they arose) and all other amounts payable by the Guarantor under the Guarantee with respect to the Covered Bonds become due and payable by the Guarantor in accordance with the Guarantee and as set out in Condition 9.2(a).

**Guarantor Event of Default** has the meaning given to it in Condition 9.2(a) (*Events of Default relating to the Guarantor*).

**Guarantor Payment Date** has the meaning given to it in Condition 3.2 (*Reliance on Pre-funding Obligations and Cover Pool*).

**IED Guarantee Activation Date** means, following an Issuer Event of Default and service of an Issuer Default Notice on the Issuer, the date on which a Guarantee Activation Notice is served on the Guarantor pursuant to the Guarantee.

**Increased Corporate Service Provider Or Cash Manager Expenses** means the Nominal Amount of any and all sums paid or payable by or on behalf of the Guarantor to any Replacement Corporate Services Provider or Replacement Cash Manager, as applicable, in relation to any and all liabilities, claims, costs and expenses which the Guarantor may suffer, sustain or incur as a consequence of the non-compliance by the Issuer with any of the Issuer Representations or Issuer Undertakings under the Guarantee Mandate Agreement. Increased Corporate Services Provider Or Cash Manager Expenses shall include, but not be limited to, any additional amounts which reflect increased expenses or costs to the Guarantor and which are due to a Replacement Corporate Services Provider or Replacement Cash Manager, as applicable, but exclude (x) any and all amounts which would have been due to the Initial Corporate Services Provider or the Cash Manager, as applicable, irrespective of the Issuer's non-compliance or default and (y) any increased costs or losses caused by the Guarantor's own gross negligence or wilful default in complying with its representations, warranties or obligations under the Transaction Documents,

unless such gross negligence or wilful default concurrently constitutes non-compliance on the part of the Issuer with its representations, warranties or obligations under the Transaction Documents.

**Increased Services Provider Expenses** means the Nominal Amount of any and all sums paid or payable by or on behalf of the Assignee to (i) any Replacement Servicer and (ii) to any Replacement Third Party Services Provider (except for a Replacement Corporate Services Provider and a Replacement Cash Manager) in relation to any and all liabilities, claims, costs and expenses which the Assignee may suffer, sustain or incur as a consequence of the non-compliance by the Assignor with any of the Assignor's representations, warranties, undertakings or other obligations under the Security Assignment Agreement. Increased Services Provider Expenses in relation to any Replacement Third Party Services Provider (except for a Replacement Corporate Services Provider and a Replacement Cash Manager) shall include, but not be limited to, any additional amounts which reflect increased expenses or costs to the Assignee and which are due to a Third Party Services Provider (except for a Replacement Corporate Services Provider and a Replacement Cash Manager), but exclude (x) any and all amounts which would have been due to a Third Party Services Provider (except for a Replacement Corporate Services Provider and a Replacement Cash Manager) irrespective of the Assignor's non-compliance or default (including, for the avoidance of doubt, any and all fees payable to the Collateral Holding Agent pursuant to the Collateral Holding Agreement) and (y) any increased costs or losses caused by the Guarantor's own gross negligence or wilful default in complying with its representations, warranties or obligations under the Transaction Documents, unless such gross negligence or wilful default concurrently constitutes non-compliance on the part of the Assignor with its representations, warranties or obligations under the Transaction Documents.

**Increased Services Provider Expenses Pre-funding Obligation** means the obligation of the Assignor to pre-fund any and all Increased Services Provider Expenses arising from time to time, as specified by the Assignee in a notice for pre-funding (each an **Increased Services Provider Expenses Pre-funding Notice**), in accordance with the Security Assignment Agreement.

**Initial Asset Monitor** means KPMG AG, in its capacity as asset monitor under the Asset Monitor Agreement.

**Initial Cash Manager** means Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland in its capacity as cash manager under the Cash Management Agreement.

**Initial Collateral Holding Agent** means Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland.

**Initial Corporate Services Provider** means Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland in its capacity as corporate services provider under the Corporate Services Agreement.

**Initial Swap Provider** means an initial swap provider under a Swap Agreement (if any) that may be entered into following the date hereof as may be appointed from time to time.

**Initial Third Party Services Provider** means any of the Initial Asset Monitor, Account Bank, Initial Cash Manager and the Initial Corporate Services Provider.

**Insolvency Event** means (i) the adjudication of bankruptcy (*ouverture de la faillite*) pursuant to article 171, 189 or 191 DEBA, (ii) an application by the relevant company for, or the granting of, a provisional or definitive stay of execution (*sursis concordataire provisoire ou définitif*) pursuant to article 293 et seq. DEBA, (iii) the ordering of restructuring proceedings (*procédures d'assainissement*) pursuant to article 28 to 32 FBA, and/or (iv) the ordering of liquidation proceedings (*faillite bancaire*) pursuant to article 33 to 37g FBA. It is understood and agreed that any relevant steps under (a) mere debt collection proceedings (*poursuite pour dettes*) pursuant to article 38 et seq. DEBA, (b) proceedings in connection with a freezing order (*procédure de séquestre*) pursuant to article 271 et seq. DEBA, (c) Protective Measures, (d) any declaration of a stay ordered in relation to the Issuer by FINMA pursuant to article 30a FBA or any successor or analogous Swiss law or regulation applicable to the Issuer, (e) the opening of CAnb Switzerland Restructuring Proceedings, (f) the exercise of any Swiss Resolution Power with respect to the Issuer other than with respect to the Covered Bonds, and (g) any consequences resulting from any of the foregoing do not constitute an Insolvency Event.

**Insolvency Proceedings** means the (i) issuance of a bankruptcy warning (*commination de faillite*) in the meaning of article 159 DEBA, (ii) the filing of a request to open bankruptcy proceedings (*réquisition de faillite*) in the meaning of article 166, 188, 190 or 191 DEBA, (iii) the ordering of protective measures (*mesures protectrices*) pursuant to article 26 lit. (f) to (h) FBA, (iv) the ordering of restructuring proceedings (*procédures d'assainissement*) pursuant to articles 28 to 32 FBA, (v) the ordering of liquidation proceedings (*faillite bancaire*) pursuant to articles 33 to 37g FBA, (vi) the adjudication of bankruptcy (*ouverture de la faillite*) pursuant to article 171, 189 or 191 DEBA, and (vii) an application for, or the granting of, a provisional or definitive stay of execution (*sursis concordataire provisoire ou définitif*) pursuant to articles 293 et seq. DEBA. It is understood and agreed that none of (a) any debt collection proceedings pursuant to articles 38 et seq. DEBA which have not resulted in

any of the foregoing, (b) proceedings in connection with a freezing order (*procédure de séquestre*) pursuant to article 271 et seq. DEBA or (c) protective measures (*mesures protectrices*) pursuant to article 26 (a) to (e) FBA, (d) any declaration of a stay ordered in relation to the Issuer by FINMA pursuant to article 30a FBA or any successor or analogous Swiss law or regulation applicable to the Issuer, (e) the opening of CAnb Switzerland Restructuring Proceedings, (f) the exercise of any Swiss Resolution Power with respect to the Issuer other than with respect to the Covered Bonds, (g) the ordering of any Restructuring Protective Measures with respect to the Issuer other than with respect to the Covered Bonds and (h) any consequences resulting from any of the foregoing do itself constitute Insolvency Proceedings.

**Instruction of the Extension of the Guarantee** means a written notice from the Issuer addressed to the Guarantor (with a copy to the Trustee and the Bondholders' Representative of any other Series (if any)), requesting that the Guarantee shall extend to and cover all amounts due and payable under the new (initial or subsequent) Series or Tranche of Covered Bonds to be issued, in accordance with the Guarantee Mandate Agreement.

**Intercreditor Agreement** means the intercreditor agreement dated the Programme Closing Date between, *inter alia*, the Guarantor, the Issuer, the Principal Paying Agent and the Trustee as supplemented from time to time as further described in section "*Overview of the Principal Transaction Documents—Intercreditor Agreement*" of the Base Prospectus.

**Interest Commencement Date** means, in the case of interest-bearing Covered Bonds, the date specified in the Applicable Final Terms from (and including) which the relevant Covered Bonds start accruing interest.

**Interest Coverage Test** means an interest coverage test carried out as described in section "*Credit Structure—Interest Coverage Test*" of the Base Prospectus.

**Interest Payment Date** means, in relation to any Series of Covered Bonds, the specified interest payment date set out in the Applicable Final Terms or the meaning given to such term in the Applicable Final Terms as the case may be.

**Intermediary** has the meaning given to it in Condition 1(c) (*Amount, Denomination, Form and Transfers*).

**Intermediated Securities** has the meaning given to it in Condition 1(c) (*Amount, Denomination, Form and Transfers*).

**Issue Date** means the date on which the Issuer issues a Series or Tranche of Covered Bonds to Covered Bondholders as specified in the relevant Applicable Final Terms prepared for such Series or Tranche.

**Issue Price** means the price, generally expressed as a percentage of the nominal amount of the Covered Bonds, at which the Covered Bonds will be issued.

**Issuer** means Crédit Agricole next bank (Suisse) SA.

**Issuer Default Notice** has the meaning given to it in Condition 9.1(a) (*Events of Default relating to the Issuer*).

**Issuer Event of Default** has the meaning given to it in Condition 9.1(a) (*Events of Default relating to the Issuer*).

**Liabilities** means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes) and including any irrecoverable VAT in respect thereof and legal fees and expenses on a full indemnity basis.

**Master Bank Account Agreement** means the master bank account agreement originally dated on the Programme Closing Date, and amended and restated on 28 July 2022, between the Guarantor, the Issuer as cash manager and the Account Bank as further described in section "*Overview of the Principal Transaction Documents—Master Bank Account Agreement*" of the Base Prospectus.

**Master Definitions Schedule** means the amended and restated master definitions schedule originally dated on the Programme Closing Date, and amended and restated on 23 July 2021, as further amended and restated on 28 July 2022 and as further amended and restated on 28 July 2023, between, *inter alia*, the Guarantor, the Issuer, Assignor, Cash Manager, Account Bank and Corporate Services Provider, the Principal Paying Agent, the Trustee, the Bondholders' Representative and the Asset Monitor, as further amended, supplemented and/or restated from time to time.

**Meetings** means meetings of the Covered Bondholders of one or more Series of Covered Bonds individually and/or meetings of all Covered Bondholders whether originally convened or resumed following an adjournment and in respect of which minutes have been taken in accordance with the Bondholder Provisions, if applicable, and each a **Meeting**.

**Mortgage Assets** means, from time to time, (i) any and all Assigned Mortgage Claims, (ii) any and all Transferred Mortgage Certificates, (iii) any and all Mortgage Payments (directly or indirectly) received by the Assignee and which it is entitled to retain according to the Security Assignment Agreement, and (iv) any and all indemnity

payments received by the Assignee according to the Security Assignment Agreement, in each case including all interest and profits accrued thereon.

**Mortgage Certificate Enforcement Proceeds** means (i) any and all Mortgage Certificate Payments, (ii) any and all enforcement proceeds resulting from the enforcement of Transferred Mortgage Certificates pursuant to the Security Assignment Agreement, and (iii) any and all proceeds resulting from the enforcement of an interest in an Insurance Policy payable by an insurance provider in relation to a Property.

**Mortgage Certificate Excess Enforcement Proceeds** means the amount of the Mortgage Certificate Enforcement Proceeds remaining after having applied the Mortgage Certificate Enforcement Proceeds against the respective Assigned Mortgage Claim that has become due in accordance with the Security Assignment Agreement.

**Mortgage Certificate Payments** means any and all payments due or made by a Security Provider under or in connection with Transferred Mortgage Certificates, including, without limitation, redemption payments, amortisation payments, interest payments, indemnification payments and payments out of unjust enrichment, and all interest and profits accrued thereon.

**Mortgage Claims** means any and all existing claims of an Originator under one or more mortgage credit agreements secured by the same Related Mortgage Certificate(s) under the relevant security transfer agreement at any given time, plus any and all related ancillary rights, but excluding (i) any and all non-related ancillary rights and (ii) any and all Priority Security Rights.

**Mortgage Debtor** means any and all borrowers of an Assigned Mortgage Claim. If a mortgage credit agreement is made between the Originator and two or more borrowers, each of these borrowers shall be a Mortgage Debtor.

**Mortgage Payments** means (i) any and all payments due or made by a Mortgage Debtor under or in connection with an Assigned Mortgage Claim, including, without limitation, redemption payments, amortisation payments, contractual interest payments, breakage costs, default interest payments, compensation for early redemption, reminder charges, indemnification payments and payments out of unjust enrichment, and all interest and profits accrued thereon and (ii) any Mortgage Certificate Enforcement Proceeds but excluding the respective Mortgage Certificate Excess Enforcement Proceeds.

**Mortgage Security** means, from time to time, (i) any and all Assigned Mortgage Claims, (ii) any and all Mortgage Payments (directly or indirectly) received by the Assignee to the exclusion of any Mortgage Certificate Excess Enforcement Proceeds and (iii) any and all Swap Payments received by the Assignee, in each case including all interest and profits accrued thereon.

**New Dealer** means any entity appointed as an additional Dealer in accordance with Clause 11 (*Appointment of new dealers*) of the Programme Agreement and/or the Subscription Agreement, a form of which is attached as annex to the Programme Agreement.

**Nominal Amount** means the nominal amount of the relevant obligation, liability, cost, expense, damage or loss, without recourse or giving effect to any provisions in the Transaction Documents limiting the amount or recourse of a claim or creditor.

**Non-Restructuring Protective Measures** means any Protective Measures ordered by the Swiss Resolution Authority with respect to the Issuer that are ordered outside of and independently of any CAnb Switzerland Restructuring Proceedings.

**Notice to Pay** means a notice served on the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent, the Collateral Holding Agent and the Corporate Services Provider) in accordance with Clause 4(c) (*Payments under the Guarantee*) of the Guarantee in the form or substantially in the form set out in a schedule to the Guarantee.

**Optional Redemption Amount** is the optional redemption amount as specified in the Applicable Final Terms.

**Optional Redemption Date** is the optional redemption date as specified in the Applicable Final Terms.

**Original Due for Payment Date** has the meaning given to it in paragraph (a)(i) of the definition Due for Payment.

**Original Agency Agreement** means the Agency Agreement dated as of 18 August 2020.

**Original Master Bank Account Agreement** means the Master Bank Account Agreement dated as of 18 August 2020.

**Original Master Definitions Schedule** means the Master Definitions Schedule dated as of 18 August 2020.

**Original Programme Agreement** means the Programme Agreement dated as of 18 August 2020.

**Originator** means Crédit Agricole next bank (Suisse) SA.

**Paperless Mortgage Certificate** means a paperless mortgage certificate (*cédule hypothécaire de registre*) pursuant to articles 857 et seq. CC.

**Payment Day** has the meaning given to it in Condition 5.3 (*Payment Day*).

**Person** means a reference to any person, individual, corporation, bank, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, governmental entity or other entity of similar nature (whether or not having separate legal personality).

**Physical Bearer Mortgage Certificate** means a Physical Mortgage Certificate represented by a bearer security (*cédule hypothécaire au porteur*);

**Physical Mortgage Certificate** means a Physical Bearer Mortgage Certificate or a Physical Registered Mortgage Certificate (*cédule hypothécaire sur papier*) pursuant to articles 860 et seq. CC;

**Physical Registered Mortgage Certificate** means a Physical Mortgage Certificate represented by a registered security (*cédule hypothécaire nominative*);

**Post-Insolvency Priority of Payments** means the post-insolvency priorities of payments set out in section "*Cash Flows—Allocation and distribution of amounts following the GED Guarantee Activation Date—Post-Insolvency Priority of Payments*" of the Base Prospectus.

**Pre-Event Tests** means the Asset Coverage Test and the Interest Coverage Test.

**Pre-funding Obligations** means each Guarantee Mandate Pre-funding Obligation and the Increased Services Provider Expenses Pre-funding Obligation.

**Principal Amount Outstanding** means in respect of a Covered Bond the principal amount of that Covered Bond on the relevant Issue Date thereof less principal amounts received by the relevant Covered Bondholder in respect thereof.

**Principal Paying Agent** means the initial principal paying agent or any other or successor principal paying agent appointed from time to time in relation to all or any Series of the Covered Bonds pursuant to the Agency Agreement and/or a Supplemental Agency Agreement (if any), as set out in the Applicable Final Terms.

**Priority of Payments** means the priorities of payments set out in sections "*Cash Flows—Allocation and distribution of amounts prior to the Guarantee Activation Date*", "*Cash Flows—Allocation and distribution of amounts following the IED Guarantee Activation Date*" and "*Cash Flows—Allocation and distribution of amounts following the GED Guarantee Activation Date*" of the Base Prospectus including, for the avoidance of doubt, the Guarantee Priority of Payments and the Post-Insolvency Priority of Payments.

**Priority Security Rights** means any pledges, liens, encumbrances or similar rights with respect to a Transferred Mortgage Certificate and Mortgage Certificate Payments made thereunder, including but not limited to any pledge created according to the General Conditions of the Assignor.

**Programme** means the CHF 2 billion covered bond programme of CAnb Switzerland established by, or otherwise contemplated in, the Programme Agreement and the Trust Agreement.

**Programme Agreement** means the amended and restated programme agreement originally dated as of the Programme Closing Date, as amended and restated on 23 July 2021, between, *inter alia*, the Issuer, the Assignor, the Guarantor and the Arranger concerning the issue and purchase of Covered Bonds, as further amended, supplemented and/or restated from time to time.

**Programme Closing Date** means 18 August 2020.

**Property** means any real estate encumbered by a Related Mortgage Certificate.

**Protective Measure** means any protective measure that the Swiss Resolution Authority may order pursuant to any statutory power set forth in article 26 FBA, or in any successor or analogous Swiss law or regulation applicable to banks in Switzerland such as the Issuer, including, without limitation (a) giving instructions to the governing bodies of the respective entity, (b) appointing an investigator, (c) stripping governing bodies of their power to legally represent the respective entity or removing them from office, (d) removing the regulatory or company-law audit firm from office, (e) limiting the respective entity's business activities, (f) forbidding the respective entity from making or accepting payments or undertaking security trades, (g) closing down the respective entity, or (h) except for mortgage-secured receivables of central mortgage bond institutions, ordering a moratorium or deferral of payments.

**Rate(s) of Interest** means the rate of interest payable from time to time in respect of the Covered Bonds as determined in the Applicable Final Terms.

**Rating Agency** means Fitch Ratings Limited or any other rating agency appointed by the Issuer to provide ratings in relation to the Covered Bonds provided that such rating agency will qualify for purposes of the inclusion of the Covered Bonds in the Swiss Bond Index (SBI) by SIX Swiss Exchange.

**Rating Agency Modification** subject to mandatorily applicable provisions of Swiss law applicable at the relevant time, the Issuer may, without the consent or sanction by any Covered Bondholder or any other Secured Creditor (i) remove a Rating Agency from rating of any Series of Covered Bonds, and/or (ii) appoint (or reappoint) a Rating Agency to rate a Series of Covered Bonds, provided that, in each case and at all times, such Series of Covered Bonds continues to be rated by at least one Rating Agency.

**Ratings Modification** means any modifications that the Issuer considers necessary following a Rating Agency Modification, to implement the removal of the relevant Rating Agency and all ratings criteria, rating tests, rating triggers and any and all requirements specified by and/or relating to such appointed Rating Agency.

**Reassigned Mortgage Claims** means any and all Mortgage Claims reassigned to the Originator in accordance with the Security Assignment Agreement from time to time.

**Recourse and Indemnity Obligations** means each of the Guarantee Recourse and Indemnity Obligation, the Swap Termination Payment Recourse and Indemnity Obligation, the General Recourse and Indemnity Obligation and the Increased Services Provider Expenses Recourse and Indemnity Obligation.

**Regulatory Event** has the meaning given to it in Condition 6.2(d) (*Redemption due to a Regulatory Event*).

**Related Mortgage Certificates** means any and all Related Paperless Mortgage Certificates and Related Physical Mortgage Certificates.

**Related Paperless Mortgage Certificates** means any and all Paperless Mortgage Certificates for which: (a) the Originator or, following a transfer of fiduciary entitlement to the Guarantor, the Guarantor, as the case may be, is registered as creditor in the relevant Land Register (*registre foncier*), and (b) provides security for an Assigned Mortgage Claim pursuant to a security transfer agreement.

**Related Physical Mortgage Certificates** means any and all Physical Mortgage Certificates which have been transferred by a Security Provider to the Originator under a security transfer agreement by way of security for an Assigned Mortgage Claim.

**Replacement Account Bank** means any party designated in accordance with the terms of the Master Bank Account Agreement.

**Replacement Asset Monitor** means any party designated in accordance with the terms of the Asset Monitor Agreement.

**Replacement Cash Manager** means any party designated in accordance with the terms of the Cash Management Agreement.

**Replacement Collateral Holding Agent** means any party designated in accordance with the terms of the Collateral Holding Agreement

**Replacement Corporate Services Provider** means any party designated in accordance with the terms of the Corporate Services Agreement.

**Replacement Cover Pool Swap Provider** means any replacement swap provider in respect of the Cover Pool Swaps (if any) appointed from time to time, which for the avoidance of doubt shall not be the Issuer.

**Replacement Covered Bond Swap Provider** means any replacement swap provider in respect of the Covered Bond Swaps (if any) appointed from time to time, which for the avoidance of doubt shall not be the Issuer.

**Replacement Servicer** means any party designated in accordance with the terms of the Security Assignment Agreement.

**Replacement Swap Provider** means any of the Replacement Cover Pool Swap Provider and the Replacement Covered Bond Swap Provider (if any).

**Replacement Third Party Services Provider** means any of the Asset Monitor (other than the Initial Asset Monitor), the Replacement Account Bank, the Replacement Cash Manager, the Replacement Corporate Services Provider and the Replacement Collateral Holding Agent.

**Restructuring Proceedings** means restructuring proceedings within the meaning of article 28 et seq. FBA and article 40 et seq. BIO-FINMA, or in any successor or analogous Swiss law or regulation applicable to banks in Switzerland such as the Issuer.

**Restructuring Protective Measures** means any Protective Measure ordered by the Swiss Resolution Authority with respect to the Issuer that are ordered or confirmed upon the opening of or during any CAnb Switzerland Restructuring Proceedings.

**Scheduled Interest** means an amount equal to the amount in respect of interest which would have been due and payable under a relevant Series of Covered Bonds on each Interest Payment Date (but excluding any Excluded Scheduled Interest Amounts payable by the Issuer following the occurrence of an Issuer Event of Default):

- i. as if the IED Guarantee Activation Date had not occurred and the relevant Series of Covered Bonds had not immediately become due and repayable prior to their Final Maturity Date by the Issuer; and
- ii. as if the Final Maturity Date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date); and
- iii. less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 7 (*Taxation*).

**Scheduled Payment Date** means, in relation to payments under the Guarantee, each Interest Payment Date or the Final Maturity Date or other date in respect of which any principal or interest is payable by the Issuer (other than pursuant to Condition 9 (*Events of Default and Enforcement*)) – as if an IED Guarantee Activation Date had not occurred and the relevant Series of Covered Bonds had not become immediately due and repayable prior to their Final Maturity Date by the Issuer.

**Scheduled Principal** means an amount equal to the amount in respect of principal which would have been due and repayable under a relevant Series of Covered Bonds on each Interest Payment Date or the Final Maturity Date or other date in respect of which any principal is payable by the Issuer (as the case may be) as specified in Condition 6.1 (*Redemption and Purchase - Redemption at maturity*) (but excluding any Excluded Scheduled Principal Amounts payable by the Issuer following the occurrence of an Issuer Event of Default):

- i. as if the IED Guarantee Activation Date had not occurred and the relevant Series of Covered Bonds had not become immediately due and repayable prior to their Final Maturity Date by the Issuer; and
- ii. as if the Final Maturity Date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date).

**Second Amended and Restated Master Definition Schedule** means the First Amended and Restated Master Definitions Schedule dated as of 23 July 2021, as amended and restated on 28 July 2022.

**Secured Obligations** means all obligations of the Issuer, to pay, or procure the payment of (i) any and all Guarantee Fees, (ii) any and all Pre-funding Obligations, and (iii) any and all Recourse and Indemnity Obligations.

**Security Assignment Agreement** means the security assignment agreement dated on or about the Programme Closing Date between the Issuer as assignor and the Guarantor as assignee regarding the assignment of certain mortgage claims as further described in section "*Overview of the Principal Transaction Documents—Security Assignment Agreement*" of the Base Prospectus.

**Security Provider** means each security provider who has transferred to an Originator one or several Related Mortgage Certificates by way of security for an Assigned Mortgage Claim under a security transfer agreement. If a security transfer agreement is made between the Originator and two or more security providers, each of these security providers shall be a Security Provider.

**Series** has the meaning given to it in the recitals of these Conditions.

**SIX Swiss Exchange** means SIX Swiss Exchange AG.

**Specified Currency** means Swiss Francs.

**Specified Denomination(s)** has the meaning given to such term in the Applicable Final Terms.

**Spot Rate** means, in relation to any sum under any obligation (other than a Covered Bond) which is not denominated in CHF the spot rate of exchange as calculated by the Cash Manager on the relevant Calculation Date in accordance with the Cash Management Agreement.

**Subscription Agreement** means a subscription agreement supplemental to the Programme Agreement in the form set out in the Programme Agreement or in such other form as may be agreed between the Issuer, the Guarantor and the person named as the lead manager or one or more Dealer(s) (as the case may be).

**Subsidiary** means in relation to any person (the "**first person**") at any particular time, any other person (the "**second person**") (i) which is controlled, directly or indirectly, by the first person; (ii) the first person owns at

least 50 per cent. of the ownership interests in the controlled person; (iii) which is a subsidiary of another subsidiary of the first person and for these purposes a person shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; or (iv) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

**Substitute Assets** means CHF cash and Authorised Investments (other than CHF demand or time deposits, certificates of deposit) substituted for Mortgage Assets in the entire pool of Cover Pool Assets in accordance with the Security Assignment Agreement and booked in the Cover Pool Bank Account or the Cover Pool Custody Account as the case may be.

**Sub-unit** has the meaning given to it in paragraph (d) of Condition 4.1 (*Rate of Interest*).

**Swap Agreement** means any 1992 and/or 2002 ISDA Master Agreement (Multicurrency – Cross Border), along with the Schedule, Credit Support Annex and any other relevant annexes, addenda or supplements attached thereto, that may be entered into between the Guarantor, any Initial Swap Provider or Replacement Swap Provider and the Trustee following the date hereof as amended and supplemented from time to time by each of the confirmations evidencing the Cover Pool Swaps and or the Covered Bond Swaps (as the case may be) entered into thereunder.

**Swap Payments** means any and all payments the Guarantor or, if designated under the Transaction Documents, the Principal Paying Agent, receives under a Swap Agreement (if any) and all interest and profits accrued thereon.

**Swap Termination Payment Pre-funding Obligation** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—Swap Termination Payment Recourse and Indemnity and Swap Termination Payment Pre-funding Obligation (if any)*" of the Base Prospectus.

**Swap Termination Payment Recourse and Indemnity Obligation** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—Swap Termination Payment Recourse and Indemnity and Swap Termination Payment Pre-funding Obligation (if any)*" of the Base Prospectus.

**Swiss Resolution Authority** means FINMA or any other authority in Switzerland that is competent under Swiss law to exercise a Swiss Resolution Power or order Protective Measures at the relevant time.

**Swiss Resolution Power** means any statutory power of the Swiss Resolution Authority that it may exercise during Restructuring Proceedings as set forth in article 28 et seq. FBA and article 40 et seq. BIO-FINMA, or in any successor or analogous Swiss law or regulation applicable to banks in Switzerland, such as the Issuer, including, without limitation, the power to (a) transfer the assets of the entity subject to such Restructuring Proceedings, or portions thereof, together with such entity's debt and other liabilities, or portions thereof, and contracts, to another entity, (b) stay (for a maximum of two business days) the termination of, and the exercise of rights to terminate, netting rights, rights to enforce or dispose of certain types of collateral or rights to transfer claims, liabilities or certain collateral, in each case, under contracts to which the entity subject to such Restructuring Proceedings is a party, (c) convert the debt of the entity subject to such Restructuring Proceedings into equity of such entity, and/or (d) partially or fully write-down the obligations of the entity subject to such Restructuring Proceedings.

**Swiss Review Body** means a review body pursuant to article 52 FinSA.

**Tax Authority** means any Governmental Authority exercising functions in Taxes matters.

**Taxes** means all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including, without limitation, income tax, corporation tax, VAT or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly.

**Test** means each of the Amortisation Test, the Asset Coverage Test and the Interest Coverage Test.

**Test Date** means at least one monthly date on a Business Day on which a Test is performed.

**Third Party Services Provider** means any Initial Third Party Services Provider or Replacement Third Party Services Provider, as applicable.

**Tranche** has the meaning given to it in the recitals of these Conditions.

**Transaction Documents** means each of the Guarantee, the Guarantee Mandate Agreement, the Security Assignment Agreement, the Collateral Holding Agreement, the Intercreditor Agreement, the Cash Management Agreement, any Swap Agreement, the Master Bank Account Agreement, the Corporate Services Agreement, the Trust Agreement, the Agency Agreement, any Supplemental Agency Agreement (if any), the Programme



Agreement, any Replacement Servicer Agreement, the Asset Monitor Agreement, these Conditions, each set of Applicable Final Terms (as applicable in the case of each issue of listed Covered Bonds subscribed pursuant to a subscription agreement), the Master Definitions Schedule, each Series and/or Tranche of Covered Bonds, each document, agreement or indenture ancillary or supplemental to any of the documents specified above any other agreement or document from time to time designated as such by the Issuer, the Guarantor and the Trustee.

**Transferred Mortgage Certificates** has the meaning given to it in section "*Overview of Structure of the Programme*" of the Base Prospectus.

**Trust Agreement** means the trust agreement dated on or about the Programme Closing Date between the Issuer, the Assignor, the Guarantor and the Trustee under which the Trustee has agreed to act as trustee as further described in section "*Overview of the Principal Transaction Documents—Trust Agreement*" of the Base Prospectus.

**Trustee** means TMF Investments SA in its capacity as trustee under the Trust Agreement, together with any successor trustee or additional trustees appointed from time to time.

**Uncertificated Covered Bonds** has the meaning given to it in Condition 1(c) (*Amount, Denomination, Form and Transfers*)

## THE GUARANTEE

Set out below is an excerpt from the Guarantee made as of the date hereof between:

- (1) **CAnb (Suisse) Hypothèques SA**, a company incorporated as a stock corporation (*société anonyme*) under the laws of Switzerland with its registered office at c/o Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, CH-1212 Grand-Lancy, Switzerland, registered in the commercial register of the Canton of Geneva under register number CHE-437.628.502. (hereinafter referred to as **Guarantor**); and
- (2) **TMF Investments SA**, a company incorporated as a stock corporation (*société anonyme*) under the laws of Switzerland with its registered office at 2, Rue de Jargonnant, 1207 Geneva, Switzerland registered in the commercial register of the Canton of Geneva under register number CHE-102.019.057 (as **Bondholders' Representative**, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders in accordance with the Conditions and as Trustee pursuant to the Trust Agreement)

### RECITALS

- (a) On 22 July 2020, Crédit Agricole next bank (Suisse) SA authorised the establishment of a Programme pursuant to which the Issuer may from time to time issue Tranches and Series of Covered Bonds.
- (b) Pursuant to the Guarantee Mandate Agreement, the Issuer has appointed and mandated the Guarantor to issue, in its own name but for the account of the Issuer, a guarantee to the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders for the due and punctual performance by the Issuer of its obligations to pay Scheduled Interest and Scheduled Principal on the Covered Bonds in an amount equal to the Guaranteed Amounts (the **Guarantee**) and the Guarantor has agreed to issue the Guarantee.
- (c) In accordance with Condition 12 (*Appointment of the Bondholders' Representative*), each Covered Bondholder (i) has appointed and authorised the Trustee to act as bondholders' representative in the sense of article 1158 seq. CO (*représentant de la communauté*) for the purposes of the Conditions and this Agreement, and (ii) has authorised the Bondholders' Representative to accept and execute as direct representative (*représentant direct*) the Guarantee and to hold, administer and, if necessary, enforce any rights under this Agreement on behalf of the Covered Bondholders.

**IT IS AGREED** as follows:

### 1. Definitions and Construction

#### 1.1 Definitions

Unless otherwise defined herein and except to the extent that the context requires otherwise, capitalized terms used in this Agreement shall have the meaning ascribed to them in Condition 19 (*Definitions*) and Annex A.

#### 1.2 Construction

- (a) Any reference made in this Agreement to any Transaction Document (including this Agreement) or to any other agreement or document relating to a Transaction Document shall be deemed to be references to such Transaction Document or such other agreement or document as the same may have been, or may from time to time be, amended, restated, extended or novated or as the Parties or persons may accede thereto or withdraw therefrom or as the principal amount of the outstanding Covered Bonds may be increased or decreased thereunder.
- (b) Any references made in this Agreement to any person include a reference to any natural or legal person, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality), as well as to any of its successors, permitted assignees and permitted transferees.
- (c) Unless the context otherwise requires, any references made in this Agreement to the Bondholders' Representative shall be read as references to the Bondholders' Representative acting as direct representative (*représentant direct*) in the name and for the account of the

Covered Bondholders and to any successor Bondholders' Representative(s) appointed pursuant to Clause 12.

## 2. Initial and Subsequent Covered Bonds

- (a) This Guarantee shall become effective on the date hereof and shall extend to all Series and Tranches listed in the Guarantee Extension Table (substantially in the form attached as Schedule 1 (*Guarantee Extension Table*)).
- (b) Pursuant to the Guarantee Mandate Agreement, the Issuer shall deliver to the Guarantor (with a copy to the Trustee and the Bondholders' Representative(s) of any other Series (if any)) three Business Days prior to the relevant Issue Date:
  - (i) an Instruction of the Extension of the Guarantee; and
  - (ii) the Guarantee Extension Table updated to reflect the initial or any subsequent Series and Tranches of Covered Bonds.

## 3. Guarantee

- (a) The Guarantor hereby irrevocably and, following the Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for the relevant Guaranteed Amounts and subject to the terms and conditions of this Agreement, unconditionally guarantees in accordance with article 111 CO, as a primary obligor and not merely as surety (*caution*) to the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders by way of a continuing guarantee, irrespective of the validity or enforceability of the Covered Bonds or any other document related thereto, and waiving all rights of objection or defense arising from the Covered Bonds or any other document related thereto, the due and punctual performance by the Issuer of its obligations to pay Scheduled Interest and Scheduled Principal on the Covered Bonds in an amount equal to the Guaranteed Amounts. Accordingly, the Guarantor agrees to:
  - (i) following the IED Guarantee Activation Date and subject to the service of a Notice to Pay on the Guarantor by the Trustee for the relevant Guaranteed Amounts becoming Due for Payment in accordance with Clause 4(c), and without requiring the Trustee or any Bondholders' Representative to take steps against the Issuer or any other person, pay or procure to be paid in the manner described in Clause 4 (*Payments under the Guarantee*) to the Principal Paying Agent for distribution to the Covered Bondholders pursuant to the Conditions and the Agency Agreement, on first demand an amount equal to those Guaranteed Amounts which shall have become Due for Payment (irrespective of any variation, release or discharge of the equivalent amounts that would have been payable by the Issuer in respect of the Covered Bonds), where the equivalent amount has not been paid by the Issuer to the relevant Covered Bondholders on the relevant date for payment; and
  - (ii) following the GED Guarantee Activation Date and subject to the service of a Notice to Pay by the Trustee on the Guarantor for all Guaranteed Amounts becoming Due for Payment in accordance with Clause 4(e), and without requiring the Trustee or any Bondholders' Representative to take steps against the Issuer or any other person, in respect of the Covered Bonds of each Series, on first demand pay or procure to be paid to the Principal Paying Agent for distribution to the Covered Bondholders pursuant to the Agency Agreement in the manner described in Clause 4 (*Payments under the Guarantee*) and in accordance with the Conditions the relevant Guaranteed Amounts, provided, *however*, that any obligation of the Guarantor to pay Guaranteed Amounts hereunder shall be limited pursuant to Clause 6 (*Limited Recourse against the Guarantor*).
- (b) This Guarantee:
  - (i) is a continuing guarantee and shall not be discharged except by complete performance of the obligations under this Agreement and is additional to and independent of, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the Guarantor or otherwise); and
  - (ii) shall remain in force until all monies payable under the Covered Bonds shall have been paid, regardless of any intermediate payment or discharge in whole or in part.

- (c) The Guarantor shall not in respect of any payment due to be made under this Guarantee be released from its obligations under or pursuant to this Agreement in any circumstances except upon the receipt by or for the account of the Principal Paying Agent of the full amount of such payment from the Issuer or the Guarantor in the currency, at the place and in the manner provided for in this Guarantee, the Trust Agreement and the Conditions, provided that every payment of principal, premium or interest or any other amount in respect of the Covered Bonds made to the Principal Paying Agent in the manner provided in the Agency Agreement shall be in satisfaction *pro tanto* of the liability of the Guarantor under this Agreement.
- (d) If any discharge (whether in respect of the obligations of the Issuer or the Guarantor or otherwise) is made in whole or in part on the faith of any payment or other disposition received by the Principal Paying Agent or any Covered Bondholder which is avoided or must be set aside in whole or in part under any laws relating to the bankruptcy, sequestration, liquidation, insolvency, administration, corporate reorganisation or other such similar Insolvency Event of the Issuer, the liability of the Guarantor under this Agreement shall continue or be reinstated, as applicable, as if the discharge or arrangement had not occurred.
- (e) Without prejudice to the generality of the foregoing provisions of this Clause 3 (*Guarantee*), the Guarantor agrees that its obligations under this Agreement shall, notwithstanding any reference herein to the Covered Bonds and any other Transaction Document, constitute separate, independent, primary, unsecured, unsubordinated and non-accessory guarantee obligations of the Guarantor within the meaning of article 111 CO and not merely a surety (*cautionnement*) within the meaning of article 492 et seq. CO, be absolute and, following the Guarantee Activation Date and service of a Notice to Pay on the Guarantor for the relevant amount, unconditional, and irrespective of any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer under the Conditions or any other Transaction Document (other than this Agreement) and the Guarantor hereby waives all rights of objection and defense arising therefrom. For the avoidance of doubt, should the Trustee serve a Notice to Pay on the Guarantor after the date specified for such service in Clause 4(b) or 4(c), such late service will not invalidate the obligations of the Guarantor to make such payment under the Guarantee.
- (f) The liability of the Guarantor under this Agreement shall not be lessened, affected, impaired or discharged by:
- (i) unless specifically provided for in the Conditions, any time, waiver or consent granted to the Issuer by the Bondholders' Representative or any of the Covered Bondholders;
  - (ii) any dealings or transactions between the Issuer and the Trustee and any of the Covered Bondholders whether or not the Guarantor shall be a party to or cognisant of the same;
  - (iii) the dissolution of the Issuer or any change in the status, functions, control or ownership of the Issuer or any consolidation, merger, conveyance or transfer by the Issuer;
  - (iv) any composition or arrangement between the Issuer and its creditors or the release or variation of the obligations of the Issuer pursuant to such composition or arrangement;
  - (v) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
  - (vi) any incapacity or lack of power, authority or legal personality of the Issuer or any other person (other than the Guarantor);
  - (vii) any amendment, novation, supplement, variation (however fundamental and whether or not more onerous) or replacement of the Trust Agreement or the Covered Bonds, provided always that the Guarantor has been notified of any such amendment, novation, supplement, variation or replacement and the Guarantor has consented to such variation or replacement;
  - (viii) any other guarantee or security now or subsequently held by any Relevant Creditor, and the Guarantee is in addition to any such guarantee or security; or
  - (ix) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Issuer under any Transaction Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or

order so that each such obligation shall for the purposes of the Guarantor's obligations under this Agreement be construed as if there were no such circumstance.

- (g) Subject to the occurrence of the Guarantee Activation Date and following the service of a Notice to Pay for the relevant amount on the Guarantor, the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, may take action to enforce the Guarantor's obligations under this Agreement in accordance with and subject to the provisions set forth herein, without first making any demand or taking any proceedings against the Issuer or any other person.
- (h) Until all amounts which may be or become payable by the Issuer under the Covered Bonds have been irrevocably paid in full, the Guarantor hereby waives irrevocably and unconditionally:
  - (i) all rights of subrogation, indemnity, contribution or otherwise (arising under the Transaction Documents, law, regulation or otherwise whatsoever) which it might otherwise have against the Issuer by virtue of any payment made or amount payable by the Guarantor pursuant to this Agreement;
  - (ii) all rights to take any steps or institute any Insolvency Proceedings or any similar procedure in respect of the Issuer, and in particular, it will not initiate or support any Insolvency Proceedings against the Issuer before payment in full of all amounts payable by the Issuer under the Covered Bonds shall have been made to the Covered Bondholders; and
  - (iii) all rights to claim, rank, prove or vote as creditor of the solvent Issuer or, upon the Issuer's bankruptcy or other insolvency, to file its claim with the Issuer's estate in competition with the Trustee, the Bondholders' Representative and/or the Covered Bondholders or to receive or have the benefit of any payment, distribution or security from or on account of the Issuer or to claim or exercise a right of set-off against the Issuer, provided that this paragraph (h)(iii) shall not apply to any claims, payments or distribution of assets from or on the account of the Issuer to which the Guarantor is entitled pursuant to the Transaction Documents,

subject always to the rights of the Guarantor (i) to set off amounts due and payable by the Issuer to the Guarantor in respect of amounts paid by the Guarantor under the Guarantee against any amounts repayable by the Guarantor to the Issuer under the terms of the Guarantee Mandate Agreement or the Security Assignment Agreement, and without prejudice to the standard netting arrangements under the Swap Agreements (if any), (ii) to claim and enforce (including filing any of its claims in the insolvency of the Issuer) amounts owing by the Issuer to the Guarantor in respect of the Issuer's Pre-funding Obligations and/or Recourse and Indemnity Obligations in accordance with the terms of the Guarantee Mandate Agreement or the Security Assignment Agreement and (iv) to enforce and/or liquidate a part of the Cover Pool Assets sufficient to discharge the relevant Secured Obligations upon and after the occurrence of an Enforcement Event or an Issuer Event of Default in accordance with the terms of the Security Assignment Agreement and subject to the terms of clause 9 (*Sale of Assigned Mortgage Claims*) of the Trust Agreement, which in each case shall remain unaffected.

- (i) If, notwithstanding the foregoing, upon the occurrence of an Insolvency Event in relation to the Issuer, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor (other than to any claims, payments or distribution of assets from or on the account of the Issuer to which the Guarantor is entitled pursuant to the Transaction Documents) or if the Guarantor is able to exercise any set-off rights against the Issuer (other than as set forth above) before payment in full of all amounts payable shall have been made to the Covered Bondholders, such payment and/or an amount equal to the amount so set-off shall be held by the Guarantor on behalf of the Relevant Creditor and credited to the General Bank Account to be applied in accordance with the applicable Priority of Payments.

#### 4. Payments under the Guarantee

- (a) In accordance with the provisions of the Guarantee Mandate Agreement, prior to the Guarantee Activation Date, the Issuer will notify the Trustee in writing (copied to the Guarantor and the Bondholders' Representative) not later than close of business on the fifth Business Day before each Interest Payment Date or such other date in respect of which any principal or interest in relation to the Covered Bonds is due and payable by the Issuer (other than pursuant to Condition 9.1 (*Events of Default relating to the Issuer*)) (the **Payment Due Date**) of the amount of interest

and/or principal in relation to the Covered Bonds which is due and payable by the Issuer on such Payment Due Date and will confirm whether or not it will have sufficient funds to make such payments of such interest and/or principal on such Payment Due Date. If the amount available for payment by the Issuer in respect of such interest and/or principal on such Payment Due Date will be insufficient to meet the amount of such interest and/or principal due and payable on such Payment Due Date (the difference being the **Shortfall**), then not later than close of business on the fifth Business Day before such Payment Due Date, the Issuer will inform the Trustee in writing (copied to the Guarantor and the Bondholders' Representative of any other Series (if any)) of the amount of the Shortfall.

- (b) Following the occurrence of an Issuer Event of Default and service by the Bondholders' Representative of an Issuer Default Notice on the Issuer pursuant to Condition 9.1 (*Events of Default relating to the Issuer*), with a copy to the Guarantor, the Trustee and the Bondholders' Representative of any other Series (if any), the Trustee shall promptly deliver a Guarantee Activation Notice (substantially in the form attached as Schedule 2 (*Form of Guarantee Activation Notice*) to the Guarantor (with a copy to the Issuer, the Bondholders' Representative, the Principal Paying Agent and the Collateral Holding Agent) requiring the Guarantor to pay the Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of this Agreement.
- (c) On the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date), the Trustee shall prepare, sign and serve a notice to pay on the Guarantor (with a copy to the Issuer, Bondholders' Representative, the Principal Paying Agent, the Collateral Holding Agent and the Corporate Services Provider) substantially in the form set out in Schedule 3 (*Form of Notice to Pay*) hereto (a **Notice to Pay**),
  - (i) for the Guaranteed Amounts (A) then due and payable on the Covered Bonds as at such date, and (B) falling due and payable in the sixty-five Business Day period commencing on such date; and
  - (ii) thereafter, the Trustee shall, upon the direction of the Corporate Services Provider, in writing not later than 67 Business Days prior to each Scheduled Payment Date (provided that, notwithstanding the failure by the Corporate Services Provider to direct the Trustee to serve a Notice to Pay, the Trustee may still deliver such Notice to Pay), not earlier than sixty-five Business Days and to the extent practical, not later than sixty-three Business Days prior to each Scheduled Payment Date in respect of each Series of Covered Bonds, prepare, sign and serve a Notice to Pay on the Guarantor for the Guaranteed Amounts falling Due for Payment on each such Scheduled Payment Date.
- (d) Following receipt of each Notice to Pay, the Trustee, on behalf of the Guarantor, shall serve without delay a Guarantee Pre-funding Notice on the Issuer in accordance with clause 7.1 (*Guarantee Pre-funding Obligation*) of the Guarantee Mandate Agreement, and the Guarantor shall pay the Guaranteed Amounts to the Principal Paying Agent pursuant to the terms of this Agreement and the Guarantee Priority of Payments by 10.00 a.m. Geneva time on the date on which the relevant Guaranteed Amount is Due for Payment. Where the Guarantor is required to make a payment of a Guaranteed Amount, to the extent that the Guarantor has insufficient monies available after payment of higher ranking amounts and taking into account amounts ranking *pari passu* therewith in the Guarantee Priority of Payments to pay such Guaranteed Amounts, it shall make partial payment of such Guaranteed Amounts in accordance with the Guarantee Priority of Payments.
- (e) Following the GED Guarantee Activation Date, all Guaranteed Amounts will become immediately due and payable by the Guarantor and (i) the Trustee shall immediately serve a Notice to Pay for all Guaranteed Amounts on the Guarantor, upon receipt of which the Trustee, on behalf of the Guarantor, shall serve without delay a corresponding Guarantee Pre-funding Notice on the Issuer in accordance with clause 7.1 (*Guarantee Pre-funding Obligation*) of the Guarantee Mandate Agreement, and (ii) subject to Applicable Law, the Guarantor shall pay the Guaranteed Amounts Due for Payment pursuant to the terms of this Agreement and the Post-Insolvency Priority of Payments by 10.00 a.m. Geneva time on the date directed by the Trustee.
- (f) If the Trustee – following the occurrence of an Insolvency Event with respect to the Trustee – automatically ceases to be a Party to this Agreement in accordance with Clause 12(a) (*Successor Trustee and Bondholders' Representative*), or if the Trustee fails to deliver a Guarantee Activation Notice and/or a Notice to Pay in accordance with Clauses 4(b) and 4(c), respectively, and Condition 9.1(c) within a reasonable time period and such failure is continuing, the

Bondholders' Representative, as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, shall be entitled to deliver such Guarantee Activation Notice and/or Notice to Pay.

- (g) The Parties acknowledge and agree that:
  - (i) the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, herewith instructs the Guarantor to pay (or to procure the payment of) all sums payable under this Guarantee, subject always to Clause 5 (*Extended Due for Payment Date*) and the applicable Priority of Payments, solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders in accordance with the Conditions and the Agency Agreement (*assignation*). No payments under this Guarantee shall be made to or to the order of the Bondholders' Representative;
  - (ii) the Guarantor for the benefit of the Covered Bondholders herewith expressly and irrevocably agrees to pay (or to procure the payment of) all sums payable under this Guarantee, subject always to Clause 5 (*Extended Due for Payment Date*) and the applicable Priority of Payments, solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders in accordance with the Conditions and the Agency Agreement (*acceptation de l'assignation*);
  - (iii) pursuant to the Agency Agreement, the Principal Paying Agent has agreed to receive and distribute payments pursuant to Clause 4(g); and
  - (iv) the obligation of the Guarantor to make any payments hereunder solely and exclusively to the Principal Paying Agent for distribution to the Covered Bondholders in accordance with this Clause 4 (*Payments under the Guarantee*), shall be irrevocable in all circumstances, including, without limitation, the occurrence of an Insolvency Event with respect to the Guarantor.
- (h) At least two Business Days before the date on which the Guarantor is obliged to make a payment under this Guarantee, it shall notify or procure the notification of the Principal Paying Agent of the irrevocable instructions to the Account Bank through which payment to the Principal Paying Agent is to be made.
- (i) If the Trustee:
  - (i) delivers a Notice to Pay as directed by the Corporate Services Provider; or
  - (ii) fails to deliver a Notice to Pay where the Corporate Services Provider has failed to direct the Trustee to deliver such Notice to Pay in writing not later than 67 Business Days prior to each Scheduled Payment Date as required by clause 2(6)(a) of the Agency Agreement,then the Trustee shall not be liable to any person.
- (j) The Covered Bondholders acknowledge and agree that the Cash Manager shall apply the applicable Priority of Payments and that Covered Bondholders shall have no claim against the Cash Manager, each other Relevant Creditor or any insolvency official as a result of the application thereof.

## 5. Extended Due for Payment Date

- (a) If:
  - (i) the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Applicable Final Terms (after expiry of the applicable grace period set out in Condition 9.1(a) (Events of Default relating to the Issuer) (the **Grace Period**) with respect to a Series of Covered Bonds; and
  - (ii) prior to the occurrence of a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor in relation to any Guaranteed Amounts representing the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds, the Guarantor, having received the Guarantee Activation Notice and Notice to Pay for the relevant Guaranteed Amount no later than the date falling one Business Day prior to the Extension Determination Date pursuant to Clause 4(c), does not pay the relevant Guaranteed Amount corresponding to the full amount of

the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date, because the Guarantor has insufficient monies available under the Guarantee Priority of Payments to pay such Guaranteed Amount in full on the earlier of:

- (A) the date which falls two Business Days after service of a Guarantee Activation Notice and Notice to Pay for the relevant amount on the Guarantor or, if later, the Final Maturity Date (in each case after the expiry of the Grace Period); and
- (B) the Extension Determination Date,

(b) Then:

- (i) the Guarantor shall notify the relevant Covered Bondholders (in accordance with Condition 11 (Notices)), the Rating Agency, the Trustee and the Principal Paying Agent as soon as reasonably practicable and in any event at least one Business Day prior to the date specified in Clause 5(a)(ii)(A) and Clause 5(a)(ii)(B) (as appropriate) of any inability of the Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to this Agreement on such date;
- (ii) the Guarantor shall apply the funds available for distribution under the Guarantee Priority of Payments (if any) (after paying or providing for payment of higher ranking or pari passu amounts in accordance with the Guarantee Priority of Payments) on the earlier of the date pursuant to Clause 5(a)(ii)(A) and Clause 5(a)(ii)(B) for pro rata in part payment of the Guaranteed Amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds; and
- (iii) payment of the unpaid portion of the Final Redemption Amount by the Guarantor under the Guarantee shall be deferred until the Extended Due for Payment Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid following application of the funds pursuant to Clause 5(b)(ii) will be paid by the Guarantor to the extent it has sufficient funds available for distribution under the Guarantee Priority of Payments on any Interest Payment Date applicable to that Series of Covered Bonds thereafter up to (and including) the relevant Extended Due for Payment Date.

## 6. Limited Recourse Against the Guarantor

- (a) Any payment obligation of the Guarantor under or in connection with this Agreement will become due only (i) until the occurrence of an GED Guarantee Activation Date, on any Guarantor Payment Date, or (ii) thereafter, on any date on which amounts are paid or payable in accordance with the Post-Insolvency Priority of Payments (each such date a **Relevant Payment Date**), in each case subject to the other provisions set out in this Agreement, and is limited to the amount ("x") corresponding to the *pro rata* share of such obligation in the Available Funds from time to time, which amount shall not be less than zero or greater than the nominal amount of the relevant obligation and shall be calculated in accordance with the following formula:

$$x = NA \times \frac{(AvailableFunds - HigherRankingCreditors - ProRataShareOtherCreditors)}{TotalLiabilities to Relevant Creditor and Pari Passu Creditors}$$

where:

**NA** means the CHF Equivalent of the Nominal Amount of Accrued Obligations due by the Guarantor to the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the relevant Covered Bondholders) under this Agreement as at the Relevant Payment Date.

**Available Funds** means on any Guarantor Payment Date or other Relevant Payment Date (as applicable):

- (i) prior to the occurrence of a Guarantor Liquidation Event, all cash standing to the credit of the General Bank Account managed in accordance with the terms of the Intercreditor



Agreement (including funds recorded on the Guarantor Profit Amount Ledger on the General Bank Account); and

- (ii) after the occurrence of a Guarantor Liquidation Event, the aggregate of (A) all cash standing to the credit of the General Bank Account managed in accordance with the terms of the Intercreditor Agreement (including funds recorded on the Guarantor Profit Amount Ledger on the General Bank Account) and (B) all cash standing to the credit of the Cover Pool Bank Account up to the amount of all Secured Obligations not covered pursuant to sub-paragraph (A) of this paragraph (ii).

**Higher Ranking Creditors** means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors ranking ahead of the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the relevant Covered Bondholders) under the applicable Priority of Payments (excluding amounts owed to creditors not bound by the Priority of Payments) (in each case, where not denominated in CHF, converted into CHF, at either the CHF Equivalent Rate or the Spot Rate, as applicable).

**Pro Rata Share Other Creditors** means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors not bound by the Priority of Payments (in each case, where not denominated in CHF, converted into CHF at the Spot Rate), multiplied by the Available Funds, divided by the aggregate Nominal Amount of the Accrued Obligations due by the Guarantor under the Transaction Documents and due to creditors not bound by the Priority of Payments (in each case converted into CHF, at either the CHF Equivalent Rate or the Spot Rate, as applicable).

**Total Liabilities to Relevant Creditor and Pari Passu Creditors** means, as of the Relevant Payment Date, the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the relevant Covered Bondholders) under this Agreement plus the aggregate Nominal Amount of all Accrued Obligations due by the Guarantor to creditors (other than creditors not bound by the Priority of Payments) ranking *pari passu* with the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders) under the applicable Priority of Payments (in each case where not denominated in CHF, converted into CHF, at either the CHF Equivalent Rate or the Spot Rate, as applicable).

- (b) Upon the Cash Manager giving written notice to the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders) that:
  - (i) it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Available Funds or future realisations from the Cover Pool Assets which would be available to pay amounts owing to the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders); and
  - (ii) all amounts available to be applied to pay amounts owing to the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders) have been so applied in accordance with the Transaction Documents,

the Guarantor shall have no further obligations in respect of any amounts owed under this Agreement which remain unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor.

- (c) The limitations set forth in this Clause 6 shall also apply after the initiation of bankruptcy proceedings against the Guarantor, provided that it is understood that the competent liquidator, administrator or similar official appointed in respect of the Guarantor shall be competent to calculate the relevant amounts set forth in this Clause 6 and the Guarantor shall have no further obligations in respect of any amounts owed under this Agreement which remain unpaid and such unpaid amounts shall be deemed to be discharged in full as against the Guarantor after all Available Funds have been realised in full by the competent liquidator, administrator or similar official appointed in respect of the Guarantor or otherwise and all amounts available to be applied to pay amounts owing to the Bondholders' Representative (acting as direct representative

(*représentant direct*) in the name and for the account of the Covered Bondholders) have been so applied.

**7. Guarantee Fee**

The Guarantor's obligations under this Agreement shall not be deemed to have been discharged and remain in full force and effect, if the Issuer fails to pay the Guarantee Fee to the Guarantor in accordance with the terms of the Guarantee Mandate Agreement for any reason.

**8. Taxation**

Should any payments made by the Guarantor under the Guarantee be made subject to any withholding or deduction for or on account of Taxes of whatever nature imposed or levied by any tax jurisdiction or any political subdivision or any authority thereof or therein having power to tax, the Guarantor will not be obliged to pay any additional amounts to the Trustee or any Covered Bondholder or any other person in respect thereof. If any such withholding or deduction is required by law, the Guarantor shall pay any amount net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted.

**9. Representations and Warranties of the Guarantor**

The Guarantor hereby represents and warrants to the Trustee and the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, as at the date hereof and each Issue Date (if different) as follows:

- (a) the Guarantor has been duly incorporated and is validly existing under Swiss law and has all corporate power and authority to carry on its business;
- (b) the Guarantor has the necessary corporate power to enter into, execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform its obligations under this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated thereby and the Guarantor has taken all corporate consents, approvals and authorizations required to authorize its entry into, execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated hereby;
- (c) subject to the Reservations, upon due execution, issue and delivery, this Agreement and the other Transaction Documents to which it is a party shall constitute legal, valid and binding obligations of the Guarantor, enforceable against it in accordance with their respective terms;
- (d) the execution and delivery by the Guarantor of this Agreement and the other Transaction Documents to which it is a party and the performance of its obligations arising hereunder and thereunder:
  - (i) do not conflict with and do not breach any of the provisions of its constitutional documents; and
  - (ii) will not infringe or constitute a default of any of its obligations under any instrument or agreement to which it is a party;
- (e) all material consents, licenses, approvals, authorisations, orders, registrations or qualifications of or filings with any court or governmental or regulatory authority required on the part of the Guarantor and all other actions or things (including, without limitation, the payment of any ad valorem stamp or other similar tax or duty) required, fulfilled or done by it for or in connection with the execution and delivery of, and compliance with the terms of this Agreement and the other Transaction Documents to which it is a party have been obtained and done, respectively, and are in full force and effect;
- (f) no event has occurred which would constitute a Guarantor Event of Default;
- (g) the Guarantor is in compliance with, and has fulfilled its obligations under, each of the Transaction Documents to which it is a party in all material respects;
- (h) no Insolvency Proceedings are pending against the Guarantor, nor have any actions or measures been approved against it under such Insolvency Proceedings;
- (i) no litigation or arbitration proceeding has been initiated or threatened in writing against the Guarantor with a view to prevent the Guarantor from consummating the transactions contemplated in this Agreement or any of the other Transaction Documents to which it is a party or which would be reasonably likely to have a material adverse effect on the Guarantor's ability

to perform and observe any of its obligations under this Agreement or any other Transaction Document to which it is a party;

- (j) the Guarantor has not engaged in any material activities since its incorporation except as contemplated or permitted pursuant to the Transaction Documents;
- (k) except as contemplated or permitted pursuant to the Transaction Documents, there exists no mortgage, pledge, lien, encumbrance, charge or other Security Interest whatsoever over the whole or any part of the Guarantor's assets (including, but not limited to, the Cover Pool Assets), except for Security Interests created by operation of mandatory law, and it has not entered into any trust agreement other than the Trust Agreement;
- (l) the Guarantor has no subsidiaries or branches and no employees;
- (m) this Agreement has been duly executed and delivered by Guarantor;
- (n) the Guarantor is resident solely in Switzerland for tax purposes and does not have a permanent establishment in the UK;
- (o) the Guarantor is subject to Swiss Corporate Income Tax in respect of its activities; and
- (p) for the purposes of Swiss Corporate Income Tax, the Guarantee Fees constitute taxable earnings from which the Guarantor will be allowed to deduct, *inter alia*, the Collateral Differential, the Replacement Servicer Fee (if any), the Cash Management Fee and any fees payable to the Corporate Services Provider as expenses in determining its taxable income.

#### **10. Undertakings of the Guarantor**

- (a) Save (i) as provided in or envisaged by this Agreement or the other Transaction Documents to which the Guarantor is a party, or (ii) to the extent reasonably required in connection with the Guarantor's entry into Transaction Documents to which the Guarantor is a party or the proper performance of the Guarantor's obligations thereunder, the Guarantor shall not:
  - (i) create or permit to subsist any mortgage, standard security, assignation, pledge, lien, charge or other Security Interest whatsoever (unless arising by operation of mandatory law), over the whole or any part of its assets (including, but not limited to, the Cover Pool Assets) or its undertakings, present or future;
  - (ii) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets (including, but not limited to, the Cover Pool Assets) or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so;
  - (iii) have an interest in any bank account;
  - (iv) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any such indebtedness;
  - (v) have any employees or branches or subsidiaries;
  - (vi) acquire or hold any assets;
  - (vii) engage in any activities or conduct any business or to hold itself out to that effect or hold itself out as the Issuer or any of its affiliates or as having the financial support of the Issuer or any of its affiliates;
  - (viii) enter into any contracts, agreements or other undertakings other than the Transaction Documents and agreements about the transfer of data between CANb Switzerland Group companies;
  - (ix) agree to any amendments or modifications to the terms of the Transaction Documents to which the Guarantor is a party without the prior written consent of the Trustee;
  - (x) compromise, compound or release any debt due to it;
  - (xi) acquire or hold any real estate, intellectual property rights or participations;
  - (xii) have any establishment other than in Switzerland; or
  - (xiii) commence, settle or compromise any litigation or other claims relating to it or any of its assets.
- (b) The Guarantor shall:

- (i) notify the Trustee of any changes made or initiated to the Persons acting as any Third Party Services Provider or Swap Provider; and
- (ii) notify the Trustee of termination of any of the Transaction Documents with any Third Party Services Provider or any Swap Provider,

but any failure to so notify will not affect in any way the Guarantor's obligations under this Agreement.

## 11. Non-Petition

The Trustee, the Bondholders' Representative, acting for itself and as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders and each Covered Bondholder agrees that for so long as any Covered Bonds are outstanding and until the expiry of a period ending 366 days after the date on which all potential liabilities guaranteed by the Guarantee have been discharged or satisfied in full:

- (a) it will not take any legal steps nor institute any legal proceedings against the Guarantor or its assets or corporate bodies for the purpose of asserting or enforcing any of its rights or claims against the Guarantor; in particular, it will not:
  - (i) file a request for payment (*réquisition de poursuite*) under the DEBA or otherwise initiate any debt collection, attachment or enforcement proceedings against the Guarantor or support any such proceedings; or
  - (ii) initiate any arbitration, court, administrative or other proceedings against the Guarantor, its assets or executive bodies, or support any such proceedings, except for any such action (x) solely seeking declaratory relief without requesting the adjudication of damages, or (y) solely seeking specific performance of the Guarantor's obligations under the Transaction Documents to serve Pre-funding Notices and/or Recourse Notices; or
  - (iii) without prejudice to the netting provisions expressly provided for in any Swap Agreement, exercise any right of set-off;
- (b) it will not take any steps nor institute any proceedings to procure or initiate the bankruptcy, winding up, liquidation, restructuring, administration or any similar procedure in respect of the Guarantor, and, in particular, it will not initiate or support any Insolvency Proceedings against the Guarantor; and
- (c) other than by virtue of filing any of its claims in an insolvency of the Guarantor, it will not claim, rank, prove or vote as creditor of the Guarantor or its estate in competition with any prior ranking creditors in the relevant Priority of Payments until all amounts then due and payable to creditors who rank higher in the relevant Priority of Payments have been paid in full,

provided, however, that paragraphs (a)(i) and (ii) as well as paragraph (b) of this Clause 11 shall become inapplicable if the Guarantor is adjudicated bankrupt by a competent Swiss court. In such case, each of the Trustee, the Bondholders' Representative, acting for itself and as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders and each Covered Bondholder shall submit its claims against the Guarantor with the bankruptcy administrator of the Guarantor and clarify that the claims are subject to rights of higher ranking creditors pursuant to the Post-Insolvency Priority of Payments.

## 12. Successor Trustee and Bondholders' Representative

- (a) Upon the occurrence of an Insolvency Event with respect to the Trustee, the Trustee shall automatically cease to be a Party to this Agreement without any further notice or action being required.
- (b) If a successor trustee is appointed in accordance with clause 18 (*New Trustee and Bondholders' Representative*) of the Trust Agreement, with effect as of the appointment of the successor trustee, (i) all rights and obligations of the Trustee under this Agreement shall be automatically transferred to such successor trustee and (ii) the Trustee shall cease to be a Party to this Agreement. All Parties hereby agree in advance to such assumption of contract (*reprise de contrat*) by the successor trustee.
- (c) Pursuant to Condition 12(a) (*Appointment of Bondholders' Representative*), each Covered Bondholder has appointed and authorized the Trustee to act as Bondholders' Representative and has authorized the Bondholders' Representative to accept and execute as direct representative

(*représentant direct*) this Agreement and to hold, administer and, if necessary, enforce any rights under this Agreement on behalf of the Covered Bondholders. To the extent of this delegation, no Covered Bondholder may independently exercise any rights under the Conditions and this Agreement and the Guarantee.

- (d) If a new Bondholders' Representative is appointed with respect to one or more Series of Covered Bonds pursuant to the Conditions, such new Bondholders' Representative shall, with effect as of the appointment of the new Bondholders' Representative, act as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders of the relevant Series of Covered Bonds.

### 13. Miscellaneous

Any settlement or discharge in respect of the obligations of the Issuer or any security for the obligations of the Issuer or otherwise in whole or in part or any arrangement made on the faith of any payment, security or other disposition shall be conditional upon no payment to a Covered Bondholder being avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation or similar laws of general application and, in the event of any such payment being so avoided or reduced, the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders of the relevant Series shall be entitled to recover from the Guarantor the amount by which such payment is so avoided or reduced as if such settlement or discharge had not occurred. The Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders of the relevant Series, acting in good faith, shall be entitled to concede or compromise any claim that any settlement or discharge is liable to avoidance or reduction.

### 14. Notices

- (a) Unless otherwise specifically provided for herein, any notice required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or transmitted by registered mail (airmail, if international) or by internationally recognized courier service, or transmitted by telefax (always to be followed by registered mail) to the Parties as follows (as elected by the Party giving such notice):

if to the Guarantor:

CAnb (Suisse) Hypothèques SA  
Attention: Board of Directors  
c/o Crédit Agricole next bank (Suisse) SA  
Esplanade de Pont-Rouge 4-6  
CH-1212 Grand-Lancy  
Switzerland

with a copy to:

Crédit Agricole next bank (Suisse) SA  
Attention: Service comptabilité and Service juridique  
Esplanade de Pont-Rouge 4-6  
CH-1212 Grand-Lancy  
Switzerland  
Email: [comptabilite@ca-nextbank.ch](mailto:comptabilite@ca-nextbank.ch); [legal@ca-nextbank.ch](mailto:legal@ca-nextbank.ch)

If to the Bondholders' Representative /  
Trustee:

TMF Investments SA  
Attention: Capital Markets Services  
2, Rue de Jargonant  
1207 Geneva  
Switzerland  
Fax: +41(0)22 5448 111  
Tel: +41(0)22 5448 180  
Email: [capitalmarkets-ags@tmf-group.com](mailto:capitalmarkets-ags@tmf-group.com)

or any substitute address or fax number as a Party may notify to the others in accordance with the above by not less than five Business Days' notice.

- (b) The Parties agree that whenever this Agreement requires that a document, communication or notice be delivered or made in writing, such document, communication or notice shall conform to such requirement when conforming to article 13 et seq. CO and the Parties agree the other Party may use electronic signatures as provided for in article 14 para. 2bis CO instead of signing by hand.

- (c) Except as otherwise specified herein, all notices and other communications shall be deemed to have been duly given on (i) the date of receipt if delivered personally or by courier or transmitted by mail, or (ii) the date of transmission with confirmed answerback if transmitted by telex or telefax, whichever shall first occur.

#### 15. Governing Law and Jurisdiction

- (a) This Agreement shall in all respects be governed by, and construed in accordance with, the substantive laws of Switzerland.
- (b) Any dispute, controversy or claim arising under, out of or in connection with this Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the courts of the Republic and Canton of Geneva, Switzerland

#### SIGNATURES

##### CANB (SUISSE) HYPOTHÈQUES SA

as Guarantor

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

##### TMF INVESTMENTS SA

as Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, and as Trustee

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

#### ANNEX A DEFINITIONS

In this Agreement:

**Accrued Obligations** means those specified obligations or liabilities of the Guarantor to be recognised as liabilities on the Guarantor's balance sheet in accordance with Swiss GAAP as at the Relevant Payment Date.

**Agreement** means this guarantee agreement including all its Annexes and Schedules.

**Annex** means an annex to this Agreement.

**Bondholders' Representative** has the meaning given to such term on the front page of this Agreement or any successor Bondholders' Representative appointed pursuant to the Bondholders' Provisions for any Series of Covered Bonds. If more than one Bondholders' Representative is appointed as successor Bondholders' Representative, "Bondholders' Representative" shall mean any Bondholders' Representative so appointed.

**CAnb Switzerland Group** means CAnb Switzerland together with its Subsidiaries.

**Cash Management Fee** means the fee agreed in a separate side letter to be paid by the Guarantor to Crédit Agricole next bank (Suisse) SA as cash manager (or any successor cash manager appointed from time to time) per calendar year in arrears on the Guarantor Payment Date falling in December of each calendar year for the cash manager's services under the Cash Management Agreement.

**Clause** means a clause of this Agreement.

**Collateral Differential** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—Fees and Collateral Differential*" of the Base Prospectus.

**Conditions** means the terms and conditions of the Covered Bonds as set out in section "*Terms and Conditions of the Covered Bonds*" of the Base Prospectus, each being a **Condition**.

**DEBA** means the Swiss Federal Debt Collection and Bankruptcy Act (*loi fédérale sur la poursuite pour dettes et la faillite*) dated 11 April 1889, as amended and restated from time to time.

**Enforcement Event** means the earliest of (i) any failure by the Issuer to pay an amount specified in a Pre-funding Notice or a Recourse Notice on the date specified or indicated in such Pre-funding Notice or Recourse Notice in accordance with the terms of the Guarantee Mandate Agreement or the Security Assignment Agreement, as the case may be, irrespective of any decree of a stay of enforcement and/or a postponement of maturity in accordance with article 26 para. 1 lit. h FBA or another protective measure by FINMA, or (ii) any failure by the Issuer and the Originator to pay any other Secured Obligation (x) when the same becomes due, or (y) when the occurrence of the due date of such Secured Obligation is impeded as a consequence of any decree of a stay of enforcement and/or a postponement of maturity in accordance with art. 26 para. 1 lit. h FBA or another protective measure by FINMA on the original due date, or (iii) in case of a bankruptcy in relation to the Issuer or an equivalent event under the FBA, completion of the relevant Insolvency Proceedings.

**General Indemnity Recourse Notice** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—General Recourse and Indemnity Obligations and General Recourse and Indemnity Pre-funding Obligations*" of the Base Prospectus.

**Grace Period** has the meaning given to such term in paragraph (a)(i) of Clause 5 (*Extended Due for Payment Date*).

**Guarantee** has the meaning given to such term in Recital (B).

**Guarantee Extension Table** means the table substantially in the form of Schedule 1 (*Form of Guarantee Extensions Table*) delivered pursuant to Clause 2 (*Initial and Subsequent Covered Bonds*).

**Guarantee Priority of Payments** means the guarantee priorities of payments set out in section "*Cash Flows—Allocation and distribution of amounts following the IED Guarantee Activation Date—Guarantee Priority of Payments*" of the Base Prospectus which shall be incorporated by reference in the Agreement.

**Guarantee Recourse Notice** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—Guarantee Pre-funding Obligation and Guarantee Recourse and Indemnity Obligation*" of the Base Prospectus.

**Guarantor** has the meaning given to such term on the front page of this Agreement.

**Guarantor Liquidation Event** means the occurrence of each of the events set out in paragraphs (iv) to (vi) of Condition 9.2 (*Events of Default relating to the Guarantor*) in relation to the Guarantor.

**Guarantor Profit Amount Ledger** means the ledger where the amount of the Guarantor's aggregate distributable profits from time to time, standing to the credit of the General Bank Account, will be recorded.

**Higher Ranking Creditors** has the meaning given to it in paragraph (a) of Clause 6 (*Limited Recourse against the Guarantor*).

**including** means including without limitation, not delimiting the term(s) to which the word relates to the example(s) thereafter mentioned.

**Increased Services Provider Expenses Recourse Notice** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Security Assignment Agreement—Increased Services Provider Expenses Pre-funding Obligation and Increased Services Provider Expenses Recourse and Indemnity Obligation*" of the Base Prospectus.

**NA** has the meaning given to it in paragraph (a) of Clause 6 (*Limited Recourse against the Guarantor*).

**Parties** means the parties to this Agreement, each being a "**Party**".

**Payment Due Date** has the meaning ascribed to it in paragraph (a) of Clause 4 (*Payment under the Guarantee*).

**Pre-funding Notice** means each Guarantee Pre-funding Notice, Swap Termination Payment Pre-funding Notice, General Indemnity Pre-funding Notice and Increased Services Provider Expenses Pre-funding Notice.

**Priority of Payments** means the priorities of payments set out in sections "*Cash Flows—Allocation and distribution of amounts prior to the Guarantee Activation Date*", "*Cash Flows—Allocation and distribution of amounts following the IED Guarantee Activation Date*" and "*Cash Flows—Allocation and distribution of amounts following the GED Guarantee Activation Date*" of the Base Prospectus, including, for the avoidance of doubt, the Pre-Guarantee Priority of Payments, the Guarantee Priority of Payments and the Post-Insolvency Priority of Payments, which shall be incorporated by reference in the Agreement.

**Pro Rata Share Other Creditors** has the meaning given to it in paragraph (a) of Clause 6 (*Limited Recourse against the Guarantor*).

**Recourse Notice** means each of the Guarantee Recourse Notice, Swap Termination Payment Recourse Notice, General Indemnity Recourse Notice and the Increased Services Provider Expenses Recourse Notice.

**Relevant Creditor** means each of the Issuer, the Initial Swap Provider (if any), the Assignor, the Cash Manager, the Account Bank, the Corporate Services Provider, the Trustee, the Paying Agents, the Asset Monitor and the Covered Bondholders and any new Relevant Creditor acceding to the Intercreditor Agreement.

**Relevant Payment Date** has the meaning ascribed to it in paragraph (a) of Clause 6 (*Limited Recourse against the Guarantor*).

**Replacement Servicer Fee** means any fee payable to a Replacement Servicer under a Replacement Servicer Agreement;

**Reservations** means the limitation of enforcement by laws relating to insolvency or reorganisation and other laws generally affecting the rights of creditors and similar principles or limitations under the laws of any applicable jurisdiction as well as any other matters which are set out as qualifications or reservations as to matters of law of general application in the legal opinions to be delivered in connection with the issue of Covered Bonds.

**Schedule** means a schedule to this Agreement.

**Security Interests** means any and all existing or future pledges, liens, encumbrances, or other interests of any nature, statutory and contractual retention rights (*droits de rétention*), rights to set-off (*droits de compensation*), rights to retain (*droits de retenir*), rights to refuse performance (*droits de refuser la prestation*) and similar rights, whether obligatory rights or rights in rem.

**Shortfall** has the meaning ascribed to it in paragraph (a) of Clause 4 (*Payments under the Guarantee*).

**Swap Provider** (if any) means (i) a cover pool swap provider to the Guarantor under any Swap Agreement or (ii) a swap provider providing services under a covered bond swap in its capacity as covered bond swap provider to the Guarantor under any Swap Agreement, in each case as may be appointed by the Guarantor following the date of this Agreement.

**Swap Termination Payment Pre-funding Notice** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—Swap Termination Payment Recourse and Indemnity and Swap Termination Payment Pre-funding Obligation (if any)*" of the Base Prospectus.

**Swap Termination Payment Recourse Notice** has the meaning given to it in section "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement—Swap Termination Payment Recourse and Indemnity and Swap Termination Payment Pre-funding Obligation (if any)*" of the Base Prospectus.

**Swiss Corporate Income Tax** means Swiss Federal, Geneva cantonal and communal corporate income tax and Geneva cantonal and communal corporate capital tax.

**Total Liabilities to Relevant Creditor and Pari Passu Creditors** has the meaning ascribed to it in paragraph (a) of Clause 6 (*Limited Recourse against the Guarantor*)."



## USE OF PROCEEDS

Unless specified otherwise in the Applicable Final Terms, the net proceeds of the issue of each Series or Tranche of Covered Bonds will (as specified in the Applicable Final Term) be used by the Issuer either:

- in connection with the general funding purposes of Crédit Agricole next bank (Suisse) SA; or
- in case of "green bonds", in an amount equal or equivalent to the issuance proceeds, to finance and/or refinance, in whole or in part, new or existing eligible green assets (the "**Eligible Green Assets**"), included or which may be included in the Cover Pool, as described in the Applicable Final Terms and in the Crédit Agricole Green Bond Framework (including the appendix with regards to CANb Switzerland entitled "*Eligibility criteria for Swiss Green Residential Mortgages*") (the "**Appendix**"), each as amended and supplemented from time to time (the "**Green Bond Framework**"), such Covered Bonds shall be referred to as "**Green Covered Bonds**".

In relation to Green Covered Bonds, the Green Bond Framework is based on the Green Bond Principles published by the International Capital Markets Association in its 2018 edition (the "**Green Bond Principles**") and is available on the website of CANb Switzerland (<https://www.ca-nextbank.ch/fr/fr/investor-relations-fr.html#>). The Green Bond Framework may be further updated or expanded to reflect updates to the Green Bond Principles and evolutions in the activities of the Crédit Agricole Group. The Green Bond Framework sets out categories of Eligible Green Assets, which have been identified by Crédit Agricole Group as part of priority activity sectors within the context of climate change mitigation. For the avoidance of doubt, such Green Bond Framework is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

CANb Switzerland appointed an institution with environmental expertise to provide a second party opinion (the "**Second Party Opinion**") on the Green Bond Framework, assessing its respective added value and alignment with the Green Bond Principles. This Second Party Opinion is available on the website of CANb Switzerland (<https://www.ca-nextbank.ch/fr/fr/investor-relations-fr.html#>). For the avoidance of doubt, such Second Party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

CANb Switzerland intends to include information on the allocation of Green Covered Bonds proceeds and the environmental impact of the Eligible Green Assets in annual reports published by Crédit Agricole Group on the website of Crédit Agricole S.A.

## DESCRIPTION OF CAnb SWITZERLAND

### General Corporate Information

CAnb Switzerland is a Swiss bank incorporated as a stock corporation (*société anonyme*) under the laws of Switzerland for an unlimited duration with its registered office and headquarters at Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland.

CAnb Switzerland was founded on 16 November 2000 as Crédit Agricole Financements (Suisse) SA and registered in the commercial register of the Canton of Geneva on 1 December 2000, by contribution in kind of the Swiss banking operations of the Swiss branch of Caisse nationale du Crédit Agricole (CASA). Having received a banking license from FINMA, it commenced its operations as a Swiss bank thereafter. Since 2008, CAnb Switzerland is licensed as a securities firm.

In June 2017, CAnb Switzerland changed its name to Crédit Agricole next bank (Suisse) SA. CAnb Switzerland received its banking license from FINMA on 16 November 2000 and is licensed as a securities dealer since November 2008. It is registered with the commercial register of the Canton of Geneva under the company registration number CHE-102.383.391. The Legal Entity Identifier (LEI) Code of CAnb Switzerland is 549300YS0Y8HCSHTN07.

As of 31 December 2022, CAnb Switzerland had over 60,200 clients, 222 employees and eleven branches (with two mobile units) around Switzerland in Geneva, Basel, Lausanne, Fribourg, Yverdon and Zurich. A second branch in Zurich was opened in summer 2021. It also operates an online branch and maintains a network of agents and intermediaries that distribute its mortgage products.

### Purpose

CAnb Switzerland's articles of association are dated 18 May 2021 (the **Articles of Association**).

The principal purpose of CAnb Switzerland, as set out in article 3 (*Purpose*) of the Articles of Association (the **Articles**), is to operate as a retail bank and to engage in all businesses that are typically conducted by a retail bank. Article 3 (*Purpose*) also sets out examples of types of businesses associated with its operations as retail bank, including the following main types of businesses: The provision of current accounts, deposits, the custody of marketable securities, wealth management activities and similar ancillary services to its retail banking activities, mortgage lending services and all ancillary services related thereto for the purpose of financing real estate in Switzerland, France and Europe, as well as the provision of Lombard loans and other consumer loans (with or without guarantees) CAnb Switzerland may set up branches, subsidiaries and representative offices in Switzerland and abroad. It may also acquire, mortgage and sell real estate properties in Switzerland and abroad.

### Group structure

**The Covered Bonds and the Guarantee will be obligations solely of the Issuer and the Guarantor, respectively, and will not be guaranteed by or the responsibility of the Crédit Agricole Group, any of the CAnb Shareholders or any other entity referred to in this Base Prospectus.**

As of the date of this Base Prospectus, CAnb Switzerland is owned by five shareholders (the **CAnb Shareholders**), which are members of the Crédit Agricole Group.

	Shareholding in %
<b>Crédit Agricole des Savoie</b> , avenue du Pré Félin PAE Les Glaisins Annecy-le-Vieux 74940 Annecy, France (registration RCS 302 958 491) .....	54.0
<b>Crédit Agricole Centre-Est</b> , rue Pierre Truchis De Lays 69410 Champagne-au-Mont-d'Or (registration RCS 399 973 825) .....	18.3
<b>Crédit Agricole Franche-Comté</b> , avenue Elisée Cusenier 25000 Besançon, France (registration RCS 984 899 399) .....	12.6
<b>Crédit Agricole Alsace-Vosges</b> , place de la Gare 67000 Strasbourg (registration RCS 437 642 531) .....	10.1
<b>CA Indosuez (Switzerland) SA</b> , quai Général-Guisan 4, 1204 Geneva, Switzerland .....	5.0
<b>Total</b> .....	<b>100</b>

CAnb Switzerland holds 98% of the share capital of the Guarantor, see "*Description of the Guarantor*".

CAnb Switzerland holds 100% of the share capital of the securitisation vehicle Swiss Home Loan Securities 2016-1 GmbH. The relevant Residential Mortgage Backed Securitisation Transaction has been fully redeemed on 27 December 2021, and the securitisation vehicle Swiss Home Loan Securities 2016-1 GmbH has been put into liquidation and dissolution with the general meeting held on 13 January 2022. The liquidation and dissolution of Swiss Home Loan Securities 2016-1 GmbH intend to be finalised by end of July 2023.

## Corporate Governance

CAnb Switzerland's corporate governance framework reflects requirements of Swiss corporate law, the standards of FINMA Circular 2017/1, "Corporate governance – banks", the banking licence decree from FINMA dated 14 October 2016 and additional requirements of the Credit Agricole Group.

The main governing body of CAnb Switzerland is the Board of Directors (*Conseil d'Administration*) which is responsible for the overall strategic direction, supervision and control of CAnb Switzerland, see "*Executive Board of CAnb Switzerland*". The Board of Directors appoints the members of its Audit and Risk Committee (*Comité d'Audit et des Risques*) and the Executive Board (*Comité de Direction*).

The Executive Board is responsible for the day-to-day operational management of CAnb Switzerland's business and for developing and implementing the strategy and business plan agreed by the Board of Directors. It also sets up a compliance function that puts into place appropriate systems, processes and internal committees to maintain compliance with all internal rules and regulations of CAnb Switzerland. For further information on the members of the Executive Board, see "*Executive Board of CAnb Switzerland*".

## Board of Directors of CAnb Switzerland

The Board of Directors of CAnb Switzerland consists of at least eight members, and the Chairman or Vice-Chairman must be domiciled in Switzerland. Five of its members must be taken from among the representatives of the CAnb Shareholders. Members of the Board of Directors are elected individually by the shareholders for a period of one year without a limit in the number of terms they may be elected.

As of the date of this Base Prospectus, the Board of Directors consists of the following nine members:

	<b>Board member since</b>	<b>Role</b>
Laurent Bennet.....	2019	Chairman
Isabelle Amschwand .....	2021	Vice-Chairman (independent)
Franck Bertrand .....	2020	Member
Carlo Lombardini.....	2019	Member (independent)
Oliver Hofmann .....	2017	Member (independent)
Marc-André Poirier.....	2022	Member
Raphael Appert .....	2010	Member
Stéphane Roger .....	2023	Member

The business address for each of the members of the Board of Directors is at the Bank's registered office at Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland.

## Audit and Risk Committee of the Board of Directors

The Audit and Risk Committee consists of three members with the majority satisfying the independence requirements defined by FINMA Circular 2017/1, "Corporate governance – banks"). As of the date of this Base Prospectus, the members are Stéphane Roger, Oliver Hofmann and Carlo Lombardini. The Risk and Audit Committee is not an executive committee; rather it reports and summarises its conclusions and recommendations to the Board of Directors.

## Executive Board

The Executive Board (*comité de direction*) is the most senior management body of CAnb Switzerland. The Executive Board consists of five to seven members appointed by the Board of Directors and represent the main activities of the Bank. As of the date of this Base Prospectus, the Executive Board currently consists of six members, including the Chief Executive Officer. The individual members of the Executive Board are listed in the table below.

	<b>Executive Board member since</b>	<b>Role</b>
Thibault Reverse .....	2019	Chief Executive Officer
Christophe Morel .....	2019	Chief Risk, Legal & Compliance Officer
Georgiana Solanet.....	2020	Chief Financial Officer
Audrey Rozen Doerks.....	2017	Director of Commercial Development
Hubert Cunin .....	2019	Head of Credit & Banking Services
Pierre Fortis .....	2015	Head of IT, Client Services and Content Management

The business address for each of the members of the Board of Directors is at the Bank's registered office at Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland.

The Executive Board sets up the Compliance and Risk Management functions. The Executive Board also relies on various committees to which it can delegate part of his powers pursuant to specific regulations. The main committees are listed below.

### ***Credit Committee***

The Credit Committee (*comité des credits*) reports to the Executive Committee, and is in charge of taking decision upon granting loans according to credit limit falling within its competency. The Credit Committee is composed of two levels, each composed by one chairman and two members.

The Credit Committee level 1 (*comité des credits niveau 1*) is chaired by the Head of Credit & Banking Services, the two other members are the Head of the Credits Unit and a member of the Executive Committee (but not the Chief Risk, Legal & Compliance Officer nor the Director of Commercial Development).

The Credit Committee level 2 (*comité des credits niveau 2*) is chaired by the Chief Executive Officer, the two other permanent members are the Head of Credit & Banking Services and the Head of the Credits Unit.

### ***Finance Committee***

The Finance Committee (*comité financier*) is responsible, *inter alia*, for implementing the policy of CAnb Switzerland's financial management, that includes the rules for the management of interest rate and liquidity risks as well as the determination of CAnb Switzerland's investments for its own funds. President of the Finance Committee is the Chief Executive Officer. Other permanent members are the Chief Financial Officer, the Chief Risk, Legal & Compliance Officer, the head of the Controlling and Financial Reporting, the Head of Treasury and FX and the Head of the Risk Management.

### ***Diligence Committee***

The Diligence Committee (*comité diligence*) is responsible for approving the new relationships with high-risk clients as defined by OBA-FINMA, as well as for deciding on the continuity of the relationships with risky clients during the periodical reviews. The Chairman of the Diligence Committee is the Chief Executive Officer. Other permanent members are the Director of Commercial Development, the Chief Risk, Legal & Compliance Officer and the Head of Compliance function.

### ***Control Function Committee***

The Control Function Committee (*comité des fonctions de contrôle*) is responsible for overseeing internal independent controls, the risk profile of CANb Switzerland in terms of limits and risk tolerance set in the CANb Switzerland's Risk Policy and the effectiveness of risk management functions. It supervises risk monitoring and measurement results and examines the conclusions of internal and external audits. It is also responsible for defining the monitoring policy for loans, credit risk analysis and the monitoring credit strategy and policies. The chairman of the Control Function Committee is the Chief Executive Officer. Other permanent members are the Chief Risk Legal and Compliance, the Head of Compliance the Head of Risk Management and the Head of the Internal Audit function.

### ***ESG Committee***

The ESG Committee (*Comité de pilotage RSE*) is responsible for the implementation of CANb Switzerland's ESG Policy and is responsible for the integration of social and environmental elements in the strategic development plans of the Bank. It ensures the development of the ESG culture with the CANb employees, the definition and monitoring of ESG indicators, as well as the measurement of the ESG actions of the Bank. The Chairman of the ESG Committee is the Head of IT, Client Services and Content Management; other permanent members are the Head of Communication, the Head of Compliance, the Head of HR, the Head of Marketing, the Head of real estate expertise and the Head of Treasury.

### **Auditors**

External audit forms an integral part of CANb Switzerland's corporate governance framework and plays a key role by providing an independent assessment of its operations and internal controls. The shareholders' Annual General Meeting elects the external auditors annually for a term of one year.

Ernst & Young AG, Lancy branch, route de Chancy 59, 1212 Lancy, Switzerland, registered in the commercial register of the Canton of Geneva under register number CHE-186.791.979, as a branch of Ernst & Young SA, Aeschengraben 9, CH-4051 Basel, Switzerland, has acted as statutory auditors of the Bank since 2017. Ernst & Young SA is registered with the EXPERTsuisse-Swiss Expert Association for Audit, Tax and Fiduciary. Ernst & Young SA is also registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

### **Financial Information**

CANb Switzerland's financial year ends on 31 December of each calendar year.

CANb Switzerland's financial statements have been prepared in accordance with accounting rules of the Swiss Federal Banking Act (**BA**), the corresponding Implementing Ordinance (Swiss Federal Banking Ordinance) and FINMA Circular 2020/1, "Accounting rules for banks, securities dealers, financial groups and conglomerates" (Swiss GAAP statutory) as applicable for the preparation of reliable assessment statutory single-entity financial statements.

As of December 2022, the bank changed its capital structure: through the transfer of the general provision for inherent risk (previously considered as T2 capital) into the reserves for general banking risk (with no P&L impact), that led to increase the CET1 amount.

### **Capital Structure**

#### ***Issued share capital***

As of 31 December 2022, CANb Switzerland's share capital amounts to CHF 308,764,000 and is divided into 308,764 registered shares with a par value of CHF 1,000 each. The share capital is fully paid-in.

#### ***Conditional and authorized share capital, conversion capital and reserve capital***

As of the date of this Base Prospectus, CANb Switzerland has no conditional or authorized share capital, nor conversion capital or reserve capital.

### **Own shares**

As of the date of this Base Prospectus, CANb Switzerland does not hold any of its own shares.

### **Bonds, convertible bonds and options**

As at the date of this Base Prospectus, CANb Switzerland had the following Covered Bonds issued under the Base Prospectus initially dated 18 August 2020, as amended for time to time, which are listed on SIX Swiss Exchange outstanding:

<b>Issue Year</b>	<b>ISIN</b>	<b>Final Maturity Date</b>	<b>Extended Due for Payment Date</b>	<b>Aggregate Principal Amount in CHF million</b>
2020	CH0564642053	18 August 2029	18 August 2030	200
2021	CH1100259774	9 April 2031	9 April 2032	200
2021	CH1132966297	24 September 2031	24 September 2032	150
2022	CH1160382896	28 July 2028	28 July 2029	100
2022	CH1211713156	23 September 2027	23 September 2028	100
2022	CH1211713164	23 September 2032	23 September 2033	100
2023	CH1239495059	25 January 2030	25 January 2031	150
2023	CH1274703110	23 September 2026	23 September 2027	100
2023	CH1274703128	23 September 2030	23 September 2031	100

CANb Switzerland has no convertible bonds or option rights on CANb Switzerland's shares outstanding as at the date of this Base Prospectus.

### **Form and transfer of Shares**

The Shares are fully paid-up registered shares (action nominative) with a nominal value of CHF 1'000 each. Pursuant to article 7 (*transfert des actions*) transfers of Shares to transferees other than shareholders or members of the Crédit Agricole Group is subject to approval by the Board of Directors.

Each Share carries one vote. Voting rights and rights related thereto may be exercised only after a shareholder has been registered in the Bank's share register as a shareholder with voting rights. Such registration needs the approval of the Board of Directors of the Bank. A shareholders' meeting can validly decide if at least 65% of the Shares are represented at the shareholders' meeting.

The Shares rank *pari passu* in all respects with each other, including in respect of voting rights, entitlement to dividends, share of the liquidation proceeds in the case of a liquidation of CANb Switzerland, and preemptive subscription rights (*Bezugsrechte, Vorwegzeichnungsrechte*). CANb Switzerland does not issue any shares carrying preferential rights.

### **Distributions per Share**

In line with the CANb Switzerland's Solvability Policy (validated in January 2021) aiming to keep high enough capital ratios, in 2023 76% of the Net Profit has been distributed as dividends, the rest has been allocated as retained earnings.

The total dividend stream over the last five years was as follows:

<b>Year of dividend distribution</b>	<b>Dividend paid for financial year</b>	<b>Dividend paid, CHF</b>	<b>Number of shares</b>	<b>Dividend per share, CHF</b>
2019	2018	11,002,745	291,850	37.70
2020	2019	9,438,345	299,630	31.50
2021	2020	6,267,700	306,489	20.45
2022	2021	7,286,830	308,764	23.60
2023	2022	8,027,864	308,764	26.00

## **Business Activities**

CAnb Switzerland provides retail banking services to Swiss resident, expatriates and cross-border workers. The main business activities provided are (i) day-to-day banking services such as current accounts, debit and credit cards and FX services; (ii) mortgage loans for the financing of main and secondary residences primarily in Switzerland; and (iii) savings and investment solutions for retirement planning, as well as the distribution of insurance products.

CAnb Switzerland's main differentiator to other Swiss competitors is its relationship with the Crédit Agricole Group and its regional shareholders. This has allowed it to benefit from recommendations for mutual client referrals by opening relationships with the clients of the regional banks, especially clients located in the Swiss border region, as well as French residents moving to Switzerland, which is part of CAnb Switzerland's target client base. Over the past three years, CAnb Switzerland has strengthened its position in the Swiss market with a steady growth in customer numbers, with 12,600 new customers and an increase of 26% over the last four years.

## **Business Strategy**

In 2022, CAnb Switzerland successfully continued its long-term goal of becoming the Swiss bank covering all essential services for customers, simplifying everyday life, the financing of residential properties and advice on wealth management.

Over the last two years, CAnb Switzerland has successfully executed many innovative banking solutions to improve the quality and scope of client services. The new online relationship entry system and an online financing agreement solution for residential mortgage loans, jointly with the expertise of its advisors, have led to increased revenues for CAnb Switzerland. Over 60,200 clients now have 11 branches and 2 mobile branches at their disposal.

## **Patents, licenses or financing contracts**

CAnb Switzerland does not have any patents, licenses or financing contracts upon which it is dependent.

## **Legal Proceedings**

There are no pending or threatened court, arbitral or administrative proceedings that are of material importance to the assets and liabilities or profits and losses of CAnb Switzerland.

## **Review of Results in 2022**

The financial results for 2022 were in line with the objectives set by the Board of Directors, with an increase in Net Income from business activities by 9% to CHF 77.9 million in 2022 from CHF 71.1 million in 2021. As of 31 December 2022, the CET 1 solvency ratio was 18.6% (for a minimum requirement of 10.3% that includes the anticyclical buffer) and the LCR liquidity ratio was 156%.

Net income from business activities of CHF 77.9 million end of 2022 included net interest income of CHF 52.1 million, net income from commissions and services of CHF 8.4 million and net income from currency trading of CHF 17.4 million. In line with CAnb Switzerland's strategy to reduce its reliance on interest income, the interest income as a percentage of total income slightly decreased to 66.8% in 2022 from 67.2% in 2021. CAnb Switzerland intends to continue to pursue the objective of diversifying its income streams by offering new products and acquiring new customers. While net income from commissions and services activities as a percentage of total income slightly decreased at 10.8% in 2022 and from 12% in 2021, income from trading activities as a percentage of total net income increased to 22.3% in 2022 from 21% in 2021.

Total operating expenses increased by 3% to CHF 56.7 million in 2022 from CHF 55.1 million in 2021, mainly due to an increase of the IT expenses linked to the IT roll-out of a new CBS which occurred mid 2022.

The net profit for 2022 amounted to CHF 10.6 million compared to CHF 10.0 million in 2021, driven by an increase in the interest income and a stronger FX activity.

CAnb Switzerland decided to allocate 1% of its net profit income to selected projects aligned with its ESG strategy.

The 2022 and 2021 figures above are from published statutory financial statement.

## **Recent Developments and Trend Information**

CAnb expects the trend towards digitalization in the financial services industry to continue to impact its business in 2023 and beyond. After investments in the new core banking system (Avaloq) and other IT projects in previous years, CAnb expects a positive impact on its business prospects as it expects the new core banking system to enable CAnb to develop its business strategy with broader services, including bolstering digital online and mobile banking tools to answer clients' needs, such as online client onboarding and reshaped credit applications and, more generally, to provide an autonomous digital and smooth customer journey. Examples include the Twint implementation in 2023 (using phone numbers to transfer money to a contact), enabling the automatic transfer from a CHF account with CAnb in Switzerland to an EUR account in France and offering new credit products to answer of client needs (e.g. green loans). In 2023, CAnb Switzerland plans to further pursue its digital transformation (e.g. extension of Twint utilisation to French phone numbers of French clients), and also its physical presence by opening a branch in Bern.

Trend information contains forward-looking statements. By their very nature, forward-looking statements involve a number of inherent risks and uncertainties that could cause results to differ materially from the plans, targets, goals, expectations, estimates and intentions expressed in such forward-looking statements as more fully described in "*Forward-Looking Statements*".

## **No material adverse change**

Since the publication of CAnb Switzerland's financial statements as of 31 December 2022 and except as disclosed herein, there has been no material adverse change in the assets and liabilities, financial position and profits and losses of CAnb Switzerland and its subsidiaries.



## DESCRIPTION OF THE GUARANTOR

### General Information

The Guarantor was incorporated under Swiss law as a stock corporation (*société anonyme*) under the name CANb (Suisse) Hypothèques SA with unlimited duration, on 11 August 2020 (date of registration) and was registered in the Commercial Register of the Canton of Geneva under the number CHE-437.628.502. The Guarantor is a subsidiary of CANb Switzerland. The Guarantor's registered head office is located at c/o Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland (telephone number: +41 (0)22 737 66 00). The Guarantor was established by CANb Switzerland as its founder.

### Principal Activities

The Guarantor is an SPE domiciled in Switzerland. Under its constitutional documents, the purpose for which the Guarantor is established includes, among other things, the issuance of guarantees for the benefit of holders of covered bonds issued by CANb Switzerland or its affiliates, the acquisition, holding, administration, management and realization of mortgage claims and any collateral and claims related to such mortgage claims transferred to it as security for the claims acquired by it in connection therewith, as well as activities and transactions ancillary thereto. Since the date of its incorporation, the Guarantor has not engaged in any activity other than those permitted under its constitutional documents, nor has it traded or paid any dividends.

The Guarantor has no subsidiaries or employees.

It is not expected that the Guarantor will carry on any business other than providing the Guarantee in respect of any and all Series of Covered Bonds issued by the Issuer, the acquisition, holding, administration, management and liquidation of the Security Interests in the Cover Pool, as well as activities and transactions ancillary thereto.

The Guarantor was incorporated as a wholly-owned subsidiary of CANb Switzerland. Two per cent of the shares were subsequently transferred to two persons not affiliated with CANb Switzerland in any way (the **Independent Shareholders**), each Independent Shareholder holding one percent of the shares of the Guarantor. (see "*Ownership of Guarantor*"). The Articles of Incorporation provide that certain key resolutions of the Shareholders can only be passed with the consent of at least one Independent Shareholder. There are four members of the Board of Directors of the Guarantor, two of whom are Independent Directors. As a matter of Swiss law, the directors of the Guarantor have to ensure that the Guarantor complies with its business purpose. Resolutions of the Board of Directors of the Guarantor can only be passed with the consent of an Independent Director, and representatives of CANb Switzerland on the Board of Directors of the Guarantor have signing authority for the Guarantor only together with an Independent Director (see "*Board of Directors*"). Following the occurrence of an Issuer Event of Default, the representatives of CANb Switzerland on the Board of Directors of the Guarantor are required to resign, their signing authority shall be removed and, subject to applicable law, CANb Switzerland will exercise its voting rights at shareholders' meetings in accordance with the proposals of the Board of Directors of the Guarantor. The Corporate Services Provider will be appointed to monitor compliance by the Guarantor with its obligations generally.

### Business Purpose

Article 2 of the articles of incorporation of the Guarantor (the **Articles of Incorporation**) states:

The purpose of the Guarantor is (a) to grant, with or without adequate consideration, guarantees for the benefit of holders of bonds issued by its majority shareholder or any of its affiliates pursuant to guarantee mandate agreements with the respective issuer of bonds; (b) to enter, with or without adequate consideration, into other financing, collateralisation or other intercession transactions for the benefit of its majority shareholder or any of its affiliates; (c) to acquire, hold, manage, realise and sell mortgage claims (including mortgage certificates and other collateral granted in relation to such mortgage claims as well as ancillary claims to such mortgage claims and other related claims) which are transferred to the Guarantor as security for claims of the Guarantor in connection with the guarantee mandate agreements and other transaction documents, as well as to hold, manage and apply the corresponding proceeds; (d) to participate in a system and to enter into contracts (including, but not limited to, participant agreements and custody agreements) in order to participate in a system which allows the fiduciary transfer of paperless mortgage certificates to an administrative trustee and/or the holding and transfer of fiduciary entitlements in paperless mortgage certificates among system participants; (e) to fulfil obligations resulting from contracts with its majority shareholder, any of its affiliates or third parties entered into in connection with such transactions pursuant to (a) to (d) and to enter into such contracts with or without adequate consideration;

and (f) to provide liquidity for meeting the obligations vis-à-vis the holders of bonds issued by its majority shareholder or affiliates of its majority shareholder, or vis-à-vis third parties in connection with agreements entered into pursuant to (a) to (e) by entering into repurchase transactions with its majority shareholder, affiliates of its majority shareholder or third parties.

The Guarantor shall not engage in any transactions which are not apt to favour directly or indirectly the purpose of the Guarantor. In particular, the Guarantor shall not acquire, hold, use or sell real estate or intellectual property rights in Switzerland or abroad. The Guarantor shall not open branch offices or subsidiaries. It shall not acquire participations in other companies, grant guarantees or other personal securities to third parties except in relation to bonds issued by its majority shareholder or any of its affiliates. It shall not have any employees or premises.

## **Board of Directors**

The Articles of Incorporation provide that the Board of Directors shall consist of not more than four members. Two of the Directors must be independent from any majority shareholder (currently CAnb Switzerland) within the meaning of the Swiss Code of Best Practice for Corporate Governance. The members of the Board of Directors are elected by a general meeting of the Guarantor's shareholders (the **General Meeting of Shareholders**) for a term of three years. If a Director is replaced during his term, his successor shall continue in office until the end of his predecessor's term. Re-election is allowed without limitation.

The Board of Directors is authorised to pass resolutions concerning all matters which are not reserved or assigned for decision to another corporate body by law, the Articles of Incorporation or by the organisational regulations (*règlement d'organisation*) of the Board of Directors (the **Board Regulations**). The Board of Director's non-delegable and inalienable duties include the ultimate direction of the business of the Guarantor and the issuance of the necessary instructions; the determination of the organisation of the Guarantor; the administration of accounting, the financial control, and, to the extent necessary for the management of the Guarantor, the financial planning; the appointment and removal of the persons entrusted with the management and representation of the Guarantor; the ultimate supervision of the persons entrusted with the management of the Guarantor, namely in view of their compliance with the law, the Articles of Incorporation, regulations and instructions; the preparation of the business report and the General Meetings of Shareholders and the execution of the resolutions adopted by the General Meeting of Shareholders; the notification of the court if liabilities exceed assets; and other duties and powers, which are reserved to the authority of the Board of Directors by law or by the Articles of Incorporation.

The Board of Directors determines its own organisation in the Board Regulations. However, certain rules are set forth in the Articles of Incorporation and cannot be altered in the Board Regulations including the following: (i) the Board of Directors appoints a chairman and a vice-chairman, each of whom must be independent from the majority shareholder; (ii) meetings of the Board of Directors shall be called by its chairman or, should the chairman be prevented, by its vice-chairman or any other member of the Board of Directors whenever the need arises. The chairman shall also call a meeting upon the written request of one Director; such a request shall set forth the reasons for the meeting; (iii) subject to the exemptions set forth in the Board Regulations and explained in the next paragraph, the adoption of resolutions by the Board of Directors requires a majority of votes cast including, in any event, the consent of either the chairman or the vice-chairman. In the event of tie votes, the chairman has no casting vote; (iv) the Board of Directors shall be quorate if the majority of the members of the Board of Directors is present. No such presence quorum is required for formal resolutions of the Board of Directors in connection with a capital increase that require a public deed; (v) minutes of meetings recapitulating the deliberations and containing the resolutions adopted shall be kept. The minutes shall be signed by the chairman and the secretary; (vi) resolutions may also be passed by written consent to a proposal, unless a member of the Board of Directors requests oral deliberation; (vii) all members of the Board of Directors have joint signatory power by two. Each member other than the chairman or vice-chairman, of the Board of Directors shall have joint signatory power together with either the chairman or the vice-chairman, as the case may be.

The Board Regulations were enacted by the Board of Directors on 18 August 2020. Pursuant to these Board Regulations, the following resolutions require the approval of at least three members of the Board of Directors: (i) the conclusion and amendment of contracts; (ii) the delegation of any power of the Board of Directors, including in connection with the exercise and performance of the rights and obligations of the Guarantor under agreements entered into by the Guarantor, to any third party and the granting of powers of attorney; and (iii) the granting or increasing of guarantees and other securities for the benefit and on the account of CAnb Switzerland or any of its affiliates. The following resolutions can only be adopted unanimously (provided, however, that the members of the Board of Directors shall abstain from exercising their voting rights in matters involving their personal interests or the interests of individuals or entities related to them): (i) Establishment of guidelines regarding the liquidation and sale of Mortgage Assets and other securities (other than the Servicing Standards and other rules relating to the

servicing, liquidation and/or sale of Mortgage Assets pursuant the Transaction Documents); (ii) determination of the signatory power (other than in relation to the granting of a power of attorney); (iii) all resolutions to be taken by the Board pursuant to the Merger Act; (iv) all proposals to the meeting of shareholders relating to an amendment of the Articles of Incorporation and resolutions pursuant to the Merger Act; (v) the notification of the court if liabilities exceed assets and the filing of a request for provisional or definitive stay of execution (*sursis concordataire provisoire ou définitif*); and (vi) any amendment to these Board Regulations. The resolution to waive the occurrence of a Registration Event upon receipt of a notice from the Collateral Holding Agent that an event pursuant to the Collateral Holding Agreement has occurred requires the approval of a majority of the votes cast, subject to the consent of both the Chairman and the Vice-Chairman.

In accordance with article 15 of the Articles of Incorporation, the Guarantor currently has four Directors, two CAnb Switzerland employees and two Independent Directors as set out in the table below.

<u>Name</u>	<u>Position held</u>
Sophie Perrin-Janet (independent)	Chairman
Pierre-Olivier Dagba (independent)	Vice-Chairman
Thibault Reverse	Member
Georgiana Andreoiu Solanet	Member

The business address of each Director is c/o Crédit Agricole next bank (Suisse) SA, Esplanade de Pont-Rouge 4-6, 1212 Grand-Lancy, Switzerland. There are no conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Guarantor.

Sophie Perrin-Janet (chairman), who was elected to the Board of Directors on 26 June 2023, replacing Priya Serret, who had been elected to the Board of Directors on 9 December 2021, replacing on her turn Pavel Izmaylov who had been initially elected to the Board of Directors on 23 July 2020, and Pierre-Olivier Dagba (vice-chairman), who was elected to the Board of Directors on 16 December 2022, replacing Marco Geisselhardt who had been elected to the Board of Directors on 16 May 2022, replacing on his turn Giorgio Incognito who had on his turn replaced on 18 May 2021 Valentine Gagnault, who had been initially elected to the Board of Directors on 23 July 2020, are not affiliated with CAnb Switzerland as the majority shareholder and independent in accordance with the Swiss code of best practice for corporate governance by *economiesuisse*, pursuant to article 16 of the Articles of Incorporation.

The Independent Directors have been proposed by TMF Services SA. TMF Services SA has agreed to propose directors and provide certain other services in consideration for the payment by the Guarantor of an annual fee to TMF Services SA.

### **Dispositions by the Guarantor on the Cover Pool Assets**

The following precautions have been taken to safeguard that the Cover Pool Assets are only disposed of with the consent of at least one Independent Director: (i) joint signatory power is given to the Directors only together with the chairman or the vice-chairman who both are, as set forth in the Articles of Incorporation, Independent Directors; (ii) all the resolutions of the Board of Directors require either the consent of the chairman or vice-chairman.

### **General Meeting of Shareholders**

The **General Meeting of Shareholders** is the supreme body of the Guarantor. It has the following non delegable powers: to adopt and amend the Articles of Incorporation; to elect and remove the members of the Board of Directors and the Auditors; to approve the management report; to approve the annual financial statements and, if any, the consolidated financial statements and to determine the allocation of profits as shown on the balance sheet, in particular with regard to dividends and profit sharing ( *tantièmes* ) to members of the Board of Directors; to discharge the members of the Board of Directors; and to pass resolutions concerning all matters which are reserved to the authority of the General Meeting of Shareholders by law or by the Articles of Incorporation.

The **Ordinary General Meeting of Shareholders** shall be held within six months after the close of the fiscal year. Extraordinary General Meetings of Shareholders shall be called whenever the Board of Directors or the Auditors deem it necessary, or if a General Meeting of Shareholders decides so. Pursuant to the Articles of Incorporation, the Board of Directors shall also call a General Meeting of Shareholders if one or more shareholders demand it in writing and specify the items and the proposals, in the case of elections the names of the proposed

candidates, to be submitted to the meeting. The General Meeting of Shareholders shall be called by the Board of Directors or, if necessary, the Auditors, not less than 20 days before the date of the meeting. To call a General Meeting of Shareholders, written notices shall be sent to the addresses of the shareholders and usufructuaries registered in the share register. The notice of a meeting shall state the items and the proposals of the Board of Directors and the shareholders who have requested that the General Meeting of Shareholders be called or that items be included in the agenda, and, in the case of elections, the names of the proposed candidates. Pursuant to the Articles of Incorporation, every Shareholder may request that an item be included in the agenda. Shareholders or their proxies representing all shares issued may hold a General Meeting of Shareholders without observing the formalities required for calling a meeting, unless objection is raised (*assemblée universelle*). At such a meeting, discussions may be held and resolutions passed on all matters within the scope of the powers of a General Meeting of Shareholders for so long as the shareholders or proxies representing all shares issued are present.

Each share entitles a shareholder to one vote. A resolution of the General Meeting of Shareholders passed by at least 99% of all shares of the Guarantor and the absolute majority of the par value of shares of the Guarantor shall be required for the following matters: (i) the change of the Guarantor purpose; (ii) the creation of shares with privileged voting rights; (iii) the restriction of the transferability of registered shares and the abrogation of such a restriction; (iv) any increase of capital; (v) the limitation or withdrawal of pre-emptive rights; (vi) the change of the domicile of the Guarantor; (vii) the dissolution of the Guarantor; (viii) the amendment of the Articles of Incorporation; (ix) the disposition of all or a substantive part of the assets of the Guarantor, if such disposition entails a factual liquidation of the Guarantor; (x) all resolutions for which the General Meeting of Shareholders is the competent body pursuant to the Merger Act; (xi) the payment of a dividend; (xii) the removal of Directors or the Auditors; and (xiii) the granting of discharge to directors. For the rest, the quorums set forth by law (absolute majority of the votes represented at a General Meeting of Shareholders) shall apply.

## **Dividends**

The Guarantor was incorporated on 11 August 2020. As of the date of this Base Prospectus, no dividends have been paid.

## **Auditors**

Ernst & Young AG, Lancy branch, route de Chancy 59, 1212 Lancy, Switzerland, registered in the commercial register of the Canton of Geneva under register number CHE-186.791.979, as a branch of Ernst & Young SA, Aeschengraben 9, CH-4051 Basel, Switzerland. Ernst & Young SA is registered with the EXPERTsuisse-Swiss Expert Association for Audit, Tax and Fiduciary. Ernst & Young SA is also registered with the Swiss Federal Audit Oversight Authority, which is responsible for the licensing and supervision of audit firms and individuals that provide audit services in Switzerland.

## **Financial Year**

The financial year for the Guarantor runs from 1 January through 31 December.

## **Share Capital**

As of the date of this Base Prospectus, the Guarantor's share capital amounts to CHF 100,000 and is comprised of 100 registered shares with a nominal value of CHF 1,000 per share, fully paid in. The Guarantor has no authorised share capital and no conditional share capital.

## **Ownership of Guarantor**

CAnb Switzerland holds 98% of the shares of the Guarantor. Each Independent Shareholder holds one share corresponding to 2% of the Guarantor's share capital in the aggregate.

In view of CAnb Switzerland's majority ownership of the Guarantor, certain provisions of the Articles of Incorporation and the Shareholders' Agreement seek to ensure that such control is not abused, including:

- (a) there are two independent shareholders of the Guarantor, each holding 1% of the issued share capital (2% in total). The Articles of Incorporation of the Guarantor provide that certain key resolutions of the shareholders meeting can only be passed with the consent of at least one independent shareholder;

- (b) there are four members of the Board of Directors of the Guarantor, two of whom are Independent Directors. Resolutions of the Board of Directors can only be passed with the consent of an Independent Director, and representatives of CANb Switzerland on the Board of Directors of the Guarantor have signing authority for the Guarantor only together with an Independent Director; and
- (c) following the occurrence of an Issuer Event of Default, the CANb Switzerland directors of the Guarantor are required to resign and their signing authority is removed and CANb Switzerland shall exercise its voting rights at shareholders' meetings in accordance with the proposals of the Board of Directors.

## **Shareholders Agreement**

CANb Switzerland and the two independent shareholders are parties to a shareholders agreement (the **Shareholders Agreement**). This Shareholders Agreement sets forth, *inter alia*, that (i) the parties are obliged to vote at the General Meeting of Shareholders as follows: The independent shareholders shall act and vote independently from CANb Switzerland. In case of an Issuer Event of Default, the independent shareholders and CANb Switzerland shall exercise their voting rights in the shareholders' meeting in accordance with the proposals of the Board of Directors. Until an Issuer Event of Default, CANb Switzerland is obliged not to vote for any resolution in the shareholders' meeting relating to the amendment of the Articles of Incorporation; the disposition of all or a substantive part of the assets of the Guarantor, if such a disposition entails a factual liquidation of the Guarantor; resolutions for which the shareholders' meeting is the competent body pursuant to the Merger Act; and the removal of the auditors and directors, in each case, unless at least one independent shareholder votes in favour of the relevant resolution; (ii) CANb Switzerland procures that the CANb Switzerland directors immediately resign upon an Issuer Event of Default and that their signatory authority is withdrawn; and (iii) that after the resignation of the CANb Switzerland directors in case of an Issuer Event of Default the independent shareholders shall elect without delay an additional member of the Board of Directors who shall be independent from CANb Switzerland.

## **Legal Proceedings**

The Guarantor is not, nor has it been since its incorporation, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Guarantor.

## **Additional Information**

The Guarantor prepares its accounts in accordance with Swiss law.

## **Publications**

Communications from the Guarantor to the shareholders are sent by mail to each shareholder's address according to the Guarantor's shares register. Unless otherwise required by law, the Board of Directors may also publish such communications in the Swiss Official Gazette of Commerce (*Feuille officielle suisse du commerce*).

## **Articles of Incorporation and Board Regulations**

The Articles of Incorporation and the Board Regulations of the Guarantor shall be maintained in print format, for free distribution, at the registered offices of the Issuer and the Guarantor for a period of twelve months after the publication of this Base Prospectus. As of the date of this Base Prospectus, the Articles of Incorporation of the Guarantor are dated 23 July 2020 and the Board Regulations are dated 18 August 2020.

## DESCRIPTION OF THE TRUSTEE

### Overview

TMF Investments SA is a stock corporation (*Aktiengesellschaft*), with its registered office located at 2, Rue de Jargonnant, 1207 Geneva, Switzerland and registered with the commercial register of the Canton Geneva under company number CHE-102.019.057.

TMF Investments SA is regulated in Switzerland by the Swiss Financial Market Supervisory Authority FINMA as well as the Association Romande des Intermédiaires Financiers (ARIF) a self-regulatory body recognised by the Swiss Federal State according to Article 24 of the Swiss Federal Act on Combating Money Laundering and Terrorist Financing in the Financial Sector.

### History and Ownership

TMF Investments SA is a wholly owned subsidiary of TMF Group B.V., a besloten vennootschap (limited liability company) incorporated under the laws of the Netherlands, with its registered office at Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands and registered under number 34210962 (**TMF Group**).

A product of mergers and acquisitions, TMF Group has grown quickly to become one of the world's leading full-service outsourced business providers – and the only one with the range and depth of services that we offer.

TMF Group was started in 1988 by four founding partners and was quickly recognised in the market for its independent, high quality services. From there, it has kept the philosophy to develop complementary administrative and financial services with a wider geographical presence. The vision is to become a centre of excellence from which high quality services are rendered, ultimately as a global independent management and accounting outsourcing firm.

TMF led the expansion into Central and Eastern Europe in 1992, looking to capitalise on the expected economic developments and influx of foreign direct investment into this region. By 1994 TMF Group had offices in Hungary, Poland and Slovakia, all acquired from “big four” audit firms, and had established itself through greenfield start-ups in Romania, Serbia and the Czech Republic. By 2002, its presence covered the Netherlands, Belgium, Luxembourg, United Kingdom, Germany, France, Switzerland, Austria, Spain, Italy, Denmark, Poland, Czech Republic, Slovakia, Hungary, Bulgaria, Romania, Serbia, Netherlands Antilles and the British Virgin Islands. Further expansion was undertaken in 2003 to benefit from the regulatory changes (such as Sarbanes Oxley) imposed on audit firms and a number of add-on acquisitions were made to existing locations.

In September 2004, Prudential Plc, through its private equity funds, managed by PPM Capital concluded an agreement to acquire TMF Group. With the backing of the strategic partner and the associated banking facilities, TMF Group began to execute its expansion plans through a buy-and-build strategy.

In 2008, the investment partner changed when Doughty Hanson, a leading British private equity fund manager ([www.doughtyhanson.com](http://www.doughtyhanson.com)) concluded an agreement to acquire the business for €740m.

Then, in 2011, Doughty Hanson merged TMF Group with a new member of its portfolio, Equity Trust, itself a global independent leader in high value global trust and fiduciary services and with a slant towards high net worth individuals. Incorporated in 1970, Equity Trust had a footprint in more than 30 countries worldwide.

The merger of the two businesses, each with their own large global presence, enabled a global powerhouse to offer a unique opportunity - a global reach with local knowledge. Since the merger, TMF Group has been focused on becoming the leading company to assist companies cross border by focusing heavily on outsourced back office administrative services, looking to take advantage of the cross border investment flows. With operations in more than 80 countries, over 6400 employees, and serving over 36,500 client entities - including more than half of the current Standard & Poor's Credit Market Services Europe Limited and Fortune 500 companies- TMF is an established global leader in trust and fiduciary services.

On 27 October 2017, TMF Group announced its acquisition by CVC Capital Partners (CVC), one of the world's leading private equity and investment advisory firms for a total consideration of €1.75bn. The acquisition

will allow TMF Group to capitalise on significant future growth opportunities that exist in its markets as it scales its global platform, adds new clients and services, and continues to attract and retain the very best talent in the industry.

On 12 February 2021, TMF Group has completed the acquisition of Selectra Management Company from Farad Group following the permission granted by Commission de Surveillance du Secteur Financier, the Luxembourg regulator authority. This strategic acquisition will extend and enhance TMF Group's fund services offering. Selectra Management Company is a regulated business based in Luxembourg servicing both alternative investment funds (AIFs) and Undertakings for the Collective Investment in Transferable Securities (UCITS). Created in 2013, as part of the service delivery platform Farad Group, Selectra Management Company offers a wide range of services acting as an independent professional partner for the creation, management and distribution of AIFs and UCITS for European and non-European promoters.

On 11 January 2022, TMF Group has completed the acquisition of Paraty Capital, a Brazilian fund administration platform which focuses on private equity, infrastructure, venture capital and private debt funds.

As a result, TMF Group will now administer more than EUR 160 billion of assets on behalf of its fund manager clients, providing end-to-end fund administration solutions in Brazil, the United States, Cayman Islands, Guernsey, Jersey, Luxembourg, Singapore, India, Hong Kong, China and Australia.

The acquisition is a key milestone in TMF Group's strategy to grow its global fund services business and bolster its capabilities in the Americas. As well as offering fund managers unrivalled coverage across South America, it can now also provide administration services to regulated Brazilian funds.

The deal follows other carefully selected acquisitions that have taken place recently, including that of Venture Back Office, a fund business in the US; State Street's fund administration business in the Channel Islands; IQ-Nexus in The Netherlands; and Selectra, a third party AIFM Manco in Luxembourg.

In June 2022, Zafiro Holdings S.à r.l., an entity owned by CVC Fund VII and the majority shareholder of the TMF Group, entered into an agreement to transfer the TMF Group to an entity owned by CVC Strategic Opportunities Fund II and a wholly owned subsidiary of the Abu Dhabi Investment Authority. This new ownership structure will provide TMF Group with powerful sponsorship, stable ownership and secure financing for several years ahead.

## OVERVIEW OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a brief description of the principal Transaction Documents and an overview of the principal provisions of each. These overviews do not purport to be complete, and are qualified in their entirety by reference to the relevant document.

### Trust Agreement

#### *Role of the Bondholders' Representative pursuant to the Conditions and the Bondholder Provisions*

Pursuant to Condition 12(a) (*Appointment of Bondholders' Representative*), the Issuer and each Covered Bondholder will appoint and authorise the Trustee to act as bondholders' representative in the sense of the Bondholder Provisions (*représentant de la communauté*) (the **Bondholders' Representative**) for purposes of the Conditions and the Guarantee. Pursuant to Condition 3.5 (*Role of the Trustee*), each Covered Bondholder will acknowledge and agree that TMF Investments SA has been appointed as Trustee under the Trust Agreement and that the role of the Trustee is separate and different from the role of Bondholders' Representative.

#### *Overview*

The Trust Agreement contains provisions relating to, but not limited to:

- (a) the Trustee Obligations of the Issuer or the Guarantor;
- (b) the method of sale of Assigned Mortgage Claims by the Guarantor;
- (c) the enforcement procedures relating to the Covered Bonds and the Guarantee; and
- (d) the appointment, powers and responsibilities of the Trustee and the circumstances in which the Trustee may resign or retire or be removed.

#### *Covenants*

Each of the Guarantor and the Issuer grants a claim to the Trustee that entitles the Trustee to demand compliance with any obligations, covenants, warranties or representations made or undertaken by, as applicable, the Issuer or the Guarantor in any Transaction Document to which the Trustee is either a party or where the relevant obligation, covenant, warranty or representation is expressed to be made or given in favour of the Trustee or for its benefit or for the benefit of the Covered Bondholders (the **Trustee Obligations**). In particular, the Guarantor undertakes, *inter alia*, to:

- (a) following the occurrence of an IED Guarantee Activation Date and the service of a Notice to Pay by the Trustee in accordance with Condition 9.1 (*Events of Default relating to the Issuer*), procure that the Trustee on its behalf, serves on the Issuer without delay a Guarantee Pre-funding Notice for the amount specified in the Notice to Pay within one Business Day in accordance with the terms of the Guarantee Mandate Agreement;
- (b) immediately upon the occurrence of an Enforcement Event, take appropriate action to enforce a corresponding part of the Cover Pool Assets in accordance with the Security Assignment Agreement and the Trust Agreement with a view to ensure timely performance of its payment obligations;
- (c) not waive any condition precedent set out in the Guarantee Mandate Agreement without the prior written consent of the Trustee; and
- (d) not give any directions or exercise any discretion in a way that would likely be adverse to the interests of the Covered Bondholders, except as otherwise provided for in the Transaction Documents or Applicable Law.

The Guarantor further covenants that it will not, *inter alia*:

- (a) create or permit to subsist any mortgage, standard security, assignation, pledge, lien, charge or other Security Interest whatsoever (unless arising by operation of mandatory law), upon the whole or any part of its assets (including but not limited to the Cover Pool Assets) or its undertakings, present or future;
- (b) transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets (including the Cover Pool Assets) or undertakings or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so;
- (c) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any such indebtedness;



- (d) enter into any contracts, agreements or other undertakings other than the Transaction Documents; and
- (e) agree to any amendments to the terms of the Transaction Documents to which the Guarantor is a party without the prior written consent of the Trustee.

### ***Sale of Assigned Mortgage Claims***

#### *Circumstances when the Guarantor shall sell Assigned Mortgage Claims in order to meet its obligations*

The Trust Agreement also sets out the circumstances when the Guarantor shall sell Assigned Mortgage Claims in order to meet its obligations. In summary, Assigned Mortgage Claims shall be sold by the Guarantor in the following circumstances:

- (a) *Service of a Notice to Pay relating to the Guaranteed Amounts:* Following the occurrence of the IED Guarantee Activation Date, and the service of (as applicable):
  - (i) the initial Notice to Pay on the Guarantor by the Trustee for the Guaranteed Amount(s) (i) then due and payable on the Covered Bonds as at such date, and (ii) falling due and payable in the 65 Business Day period commencing on such date; and
  - (ii) any subsequent Notices to Pay served by the Trustee in accordance with clause 4 (*Payments under the Guarantee*) of the Guarantee,

the Trustee, on behalf of the Guarantor, shall be required to serve without delay a Guarantee Pre-funding Notice for the relevant amount of Guarantee Expenses on the Issuer within the timeframe set out in the Guarantee Mandate Agreement (see "*Guarantee Mandate Agreement—Guarantee Pre-funding Obligation and Guarantee Recourse and Indemnity Obligation*"). If the Issuer fails to pay the amounts specified in the Guarantee Pre-funding Notice (or, as applicable, the Guarantee Recourse Notice) within the requisite timeframe, then an Enforcement Event will occur, and the Guarantor or, failing which, the Trustee on behalf of the Guarantor, shall sell Assigned Mortgage Claims in the amount which is required to achieve a net sale price (after costs) which is as close as possible to the Adjusted Required Sale Amount (as defined below).

- (b) *Service of other Pre-funding Notices:* If the Guarantor has incurred or will incur costs which are covered by the Swap Termination Payment Pre-funding Obligation (if any), the General Recourse and Indemnity Pre-funding Obligation or the Increased Services Provider Expenses Pre-funding Obligation (or, in each case, the corresponding Recourse and Indemnity Obligation), then if following the service of the relevant Pre-funding Notice or Recourse Notice on the Issuer or the Assignor for the amount due, an Enforcement Event occurs, the Guarantor shall sell Assigned Mortgage Claims in the amount which is required to achieve a net sale price (after costs) which is as close as possible to the amount which is specified as due and payable in the relevant Pre-funding Notice or Recourse Notice.
- (c) *Payments to Covered Bond Swap Providers (if any):* If the Guarantor enters into Swap Agreements following the date hereof, the Guarantor shall, upon the occurrence of an Issuer Event of Default, for liquidity purposes, sell Assigned Mortgaged Claims in an amount that is required to achieve a net sale price (after costs), which is as close as possible to the Adjusted Swap Required Amount (as defined below).
- (d) *Failure to pay the Guarantee Fee:* If the Issuer fails to pay the Guarantee Fee when due, then an Enforcement Event will occur and the Guarantor shall sell Assigned Mortgage Claims in the amount which is required to achieve a net sale price (after costs) which is as close as possible to the unpaid Guarantee Fee amount.

#### *Aggregate sale price to be achieved when Assigned Mortgage Claims are sold*

The Trust Agreement sets out in detail the required aggregate sale price to be achieved when Assigned Mortgage Claims are sold. In the circumstances described in paragraphs (a) and (c) above the required aggregate sale price to be achieved shall be calculated as set out below.

In respect of the Assigned Mortgage Claims being sold following the service of a Guarantee Pre-funding Notice or a Guarantee Recourse Notice on the Issuer and the occurrence of a corresponding Enforcement Event as described in paragraph (a) above, the net proceeds of the sale of such Assigned Mortgage Claims shall be in an amount equal to (or approximately equal to) the Required Sale Amount less (where applicable) the sum of any cash amounts standing to the credit of the Cover Pool Bank Account (excluding any amounts standing to the credit of the Interest Accumulation Ledger) and the principal amount of any Authorised Investments (excluding all amounts to be applied from the Cover Pool Bank Account to pay or provide for higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to pay amounts due to each Covered Bond

Swap Provider (if any) in respect of any Series of Covered Bonds, in each case which matures or which is due and payable prior to or on the same date as the relevant Series of Covered Bonds) (the **Adjusted Required Sale Amount**), where:

**Required Sale Amount** means, in respect of a Series of Covered Bonds:

the Guaranteed Amounts falling due on a relevant Series of Covered Bonds within one year of the relevant Liquidation Date      x      1+ Negative Carry Factor x (days to the Guarantor Payment Date specified in the relevant Notice to Pay/365)

In respect of the Assigned Mortgage Claims being sold upon the occurrence of an Issuer Event of Default where the sale is to be effected in order to provide for liquidity for amounts due to the Covered Bond Swap Providers (if any) in accordance with the Security Assignment Agreement, the net proceeds of the sale of such Assigned Mortgage Claims shall be in an amount equal to (or approximately equal to) the Adjusted Swap Required Amount as at the date which is one Business Day prior to the date that the Assigned Mortgage Claims would be sold (the **Liquidation Date**). For these purposes:

(a) **Swap Required Amount** means, in relation to all Series of Covered Bonds which are subject to a Covered Bond Swap (if any), an amount equal to

(i) all scheduled payments in relation to principal or interest to be made by the Guarantor under such Covered Bond Swaps (if any) becoming due within one year of the relevant Liquidation Date; *minus*

(ii) as at the Liquidation Date, the sum of all monies standing to the credit of the Cover Pool Bank Account and the current balance of all other Substitute Assets.

(b) **Adjusted Swap Required Amount** means:

the Swap Required Amount      x      1 + Negative Carry Factor x (days to the date on which payments fall due on the relevant Covered Bond Swap/365)

The Guarantor shall determine the Adjusted Required Sale Amount and the Adjusted Swap Required Amount with the assistance of the Cash Manager. The Guarantor may begin to solicit offers for the sale of Assigned Mortgage Claims from Eligible Investors at any time and enter into conditional sale and purchase arrangements with such Eligible Investors provided, however, that in the case of Assigned Mortgage Claims that are sold in the circumstances set forth in subparagraphs (a), (c) and (d) above no sale may be completed until such Enforcement Event has occurred, whereupon the sale may be completed on the terms set out in the Trust Agreement. In particular, the sale agreement will require the purchase price to be paid by the Eligible Investor in cash and will not include any representations and warranties from the Guarantor or the Originator in respect of the Assigned Mortgage Claims (unless expressly agreed by the Trustee or otherwise agreed with the Guarantor and the Originator).

*Method of the sale of Assigned Mortgage Claims*

The Trust Agreement sets out the method by which the Guarantor shall sell Assigned Mortgage Claims. In summary, it is required to ensure that (i) the Assigned Mortgage Claims have been selected from the Cover Pool on a random basis and (ii) any sale of Assigned Mortgage Claims is made in accordance with the applicable provisions of the Security Assignment Agreement and the Guarantee Mandate Agreement, and with a view to obtaining the best price reasonably available in light of prevailing market conditions. The Guarantor shall be required to appoint a portfolio manager through a tender process (which, prior to the occurrence of the Guarantee Activation Date, may be the Assignor) to advise it in relation to the sale of Assigned Mortgage Claims. Any independent portfolio manager so appointed will be entitled to the payment of fees in an amount to be agreed at the time of its appointment. Following an Enforcement Event, the Guarantor shall instruct the portfolio manager to sell Assigned Mortgage Claims as quickly as reasonably possible.

**Modification**

Condition 15 (*Modification*) sets out the basis on which each Covered Bondholder authorises the Bondholders' Representative, on behalf of the Covered Bondholders, without the consent of any Covered Bondholder of any Series, at any time and from time to time to agree with the Issuer, the Assignor, the Guarantor or any other person to any modifications to the Conditions and/or the Guarantee.

The Trust Agreement sets out the basis on which the Trustee can effect or agree to modifications to the Transaction Documents other than the Conditions and the Guarantee to which it is a party, in each case subject to mandatorily applicable provisions of Swiss law at the relevant time. In particular, the Trustee may, without the

consent of the Covered Bondholders, at any time agree with the Issuer, the Guarantor or any other person to modifications, which in its opinion are proper to make, provided that such modifications are, in the sole and absolute opinion of the Trustee, (i) not materially prejudicial to the interests of the Covered Bondholders of any Series, (ii) of a formal, minor or technical nature, or (iii) to correct a manifest error or an error which is, in the opinion of the Trustee, proven. In addition, the Trustee shall, without the consent of the Covered Bondholders or any other person, agree to modifications of any Transaction Document (other than the Conditions and the Guarantee) that are requested by the Issuer:

- (a) to comply with any requirements which apply to it under the FMIA, EMIR or any other applicable national or international legislation or regulation of a similar nature;
- (b) for the purpose of entering into Swap Agreements (see "*—Guarantee Mandate Agreement—Appointment of Swap Providers and entering into Swap Agreements by the Guarantor*");
- (c) for the purpose of implementing a Ratings Modification;
- (d) for the purpose of enabling the Covered Bonds or a Series to be (or remain) listed on SIX Swiss Exchange;
- (e) for the purpose of appointing SIX SIS AG or another Eligible Nominee System Provider as Collateral Holding Agent and transferring the Transferred Mortgage Certificates to SIX SIS AG or such other Eligible Nominee System Provider (see "*—Collateral Holding Agreement—Transfer of Mortgage Certificates to SIX SIS AG or another Eligible Nominee System Provider (outsourcing)*"); and/or
- (f) for the purpose of complying with any changes in any Applicable Law and/or Requirement of Law relating to Swiss tax law or in any requirement of any Tax Authority,

provided in each case that (i) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee, (ii) the Issuer certifies to the Trustee that the requested amendments are to be made solely for one or more of the purposes set out in sub-clauses (a) to (f) above and has been drafted solely to that effect, (iii) the Trustee shall only effect or agree to any such modifications which in its opinion may be proper to make, provided that the Trustee is of the opinion (in its sole and absolute opinion) that such modification will (x) not be materially prejudicial to the interests of Covered Bondholders of any Series or (y) is of a formal, minor or technical nature or (z) is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

Any such modification may be made on such terms and subject to such conditions (if any) as the Trustee may determine and shall require notice to be given by the Issuer or the Guarantor (as the case may be) to the Rating Agency and, unless the Trustee otherwise agrees, to the Covered Bondholders as soon as practicable thereafter. The Trustee shall not be obliged to agree to any such modification which, in the sole opinion of the Trustee, would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction, (ii) increasing the obligations or duties, or decreasing the protections of the Trustee, as applicable, under the Transaction Documents and/or the Conditions, or (iii) otherwise prejudicing the interests of the Trustee.

Furthermore, the parties to the Trust Agreement shall use reasonable efforts to negotiate and agree, and give effect to, (i) Repo Transactions or Securitisation Transactions, which may be entered into by the Assignee in accordance with the Security Assignment Agreement and (ii) the appointment of and modifications required for the proper servicing of the Mortgage Assets by a Replacement Servicer. See "*—Security Assignment Agreement*".

#### ***Proceedings, Action and Indemnification***

Subject to the relevant provisions set forth in the Intercreditor Agreement (see "*—Intercreditor Agreement*") and, where the Trustee acts as Bondholders' Representative, the Bondholder Provisions, the Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action as it may think fit against, or in relation to the Issuer and/or the Guarantor, including but not limited to, enforcement of the Trustee Obligations, pursuant to the provisions of the Trust Agreement or any other Transaction Document.

The Trustee shall not be bound to take any proceedings, steps or actions in relation to the Trust Agreement, the Covered Bonds or any other Transaction Document, unless it shall have been, to the fullest extent permitted by law, indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so acting (either by reimbursement of costs, its ranking in the relevant Priority of Payments or in any other way it deems appropriate), except for Liabilities as a result of wilful misconduct, wilful default or gross negligence of the Trustee.

Only the Trustee may enforce the provisions of the Trust Agreement. No Covered Bondholders shall have any rights against any party to the Trust Agreement.

### ***Termination of Appointment and appointment of Successor Trustee***

The Trust Agreement shall remain in full force and effect until expiry of a period ending 366 days after the date on which all potential liabilities guaranteed by the Guarantor have been discharged or satisfied in full.

Subject to the appointment of a Successor Trustee, the Trustee may retire at any time on giving not less than three months' prior written notice to the Issuer and the Guarantor. The Trust Agreement provides that any termination by the Trustee prior to the appointment of a Successor Trustee shall be deemed to be effected at an improper time and that Trustee shall become liable to the Guarantor for any damage caused thereby.

Pursuant to the Trust Agreement, the power to appoint a Successor Trustee shall be vested solely in the Issuer and the Guarantor jointly. Because the roles of Trustee and Bondholders' Representative with respect to each Series of Covered Bonds should, to the extent possible, at all times be held by the same person, the Trust Agreement further provides that:

- (a) if a new Bondholders' Representative is appointed with respect to one or more Series of Covered Bonds with an Aggregate Principal Amount Outstanding of more than 50 per cent. of the Aggregate Principal Amount Outstanding of all Series of Covered Bonds, such Bondholders' Representative shall be appointed as Successor Trustee pursuant to the Trust Agreement, provided that the Issuer and the Guarantor shall have the right to jointly appoint any other Person as Trustee in case it is not feasible in the view of the Guarantor and the Issuer, acting reasonably, for such new Bondholders' Representative to be appointed as Trustee, in each case subject to any provisions of Swiss law mandatorily applicable at the relevant time; and
- (b) if a new Bondholders' Representative is appointed with respect to one or more Series with an Aggregate Principal Amount Outstanding of 50 per cent. or less of the Aggregate Principal Amount Outstanding of all Series of Covered Bonds, such new Bondholders' Representative (i) shall not be appointed as Trustee under the Trust Agreement and (ii) its role shall be limited strictly to its authorisation as Bondholders' Representative pursuant to Condition 12(a) (*Appointment of Bondholders' Representative*).

### ***Remuneration of Trustee***

The Issuer or, failing the Issuer, the Guarantor shall pay to the Trustee such remuneration as may from time to time be agreed between the Issuer and the Trustee or the Guarantor and the Trustee (as the case may be).

### ***Governing law and Jurisdiction***

The Trust Agreement shall in all respects be governed by, and construed in accordance with, the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

## **Guarantee Mandate Agreement**

### ***Guarantee***

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer appoints and mandates the Guarantor to issue, and the Guarantor accepts the mandate to issue, in its own name but for the account of the Issuer, the Guarantee to the Bondholders' Representative (acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders)(see "*The Guarantee*").

The Guarantor is obliged to issue the Guarantee no later than one Business Day prior to the First Issue Date of Covered Bonds issued under the Programme.

### ***Conditions Precedent***

Pursuant to the terms of the Guarantee Mandate Agreement, the Issuer undertakes not to issue any Series or Tranche of Covered Bonds unless certain conditions precedent are fulfilled or otherwise waived by the Guarantor, and the Guarantor is not obliged to agree to an extension of the Guarantee to any proposed Series or Tranche of Covered Bonds if any of the conditions precedent is not fulfilled. The conditions precedent include, *inter alia*, that:

- (a) as of the relevant Issue Date, the relevant representations and warranties made by the Issuer in the Guarantee Mandate Agreement (i) shall be true and correct, and (ii) will not be breached as a result of the issue of the proposed Series or Tranche of Covered Bonds;

- (b) the Issuer shall have duly and timely performed all of its obligations under the Guarantee Mandate Agreement to be performed on or by the relevant Issue Date;
- (c) as of three Business Days prior to the relevant Issue Date, (i) based on the most recent Cover Pool Report as adjusted for any additional Cover Pool Assets to be transferred to the Assignee under the Security Assignment Agreement prior to the relevant Issue Date, neither the Asset Coverage Test nor the Interest Coverage Test has been breached nor will be breached as a result of the issue of the proposed Series or Tranche of Covered Bonds and (ii) no Breach of Test Notice is outstanding;
- (d) as of 00:01 a.m. CET on the relevant Issue Date, (i) no Issuer Event of Default or Guarantor Event of Default has occurred which is continuing and (ii) no Issuer Event of Default or Guarantor Event of Default will occur as a result of the issue of the proposed Series or Tranche of Covered Bonds; and
- (e) the Guarantor shall have received from the Issuer an Instruction of the Extension of the Guarantee, legal opinions if and to the extent required under the Programme Agreement and corporate documents in form and substance reasonably acceptable to it.

It is understood and agreed by the Issuer and the Guarantor that once the Guarantee has been issued and, in relation to the issuance of the relevant Series or Tranche of Covered Bonds, been extended, all conditions precedent shall be deemed to have been fulfilled or waived as of the relevant Issue Date, and the Guarantee shall not be open to rescission or challenge by the Guarantor for non-fulfilment of any condition precedent, provided, however, that the Guarantor shall be at liberty to seek indemnification in accordance with the Guarantee Mandate Agreement.

#### ***Guarantee Pre-funding Obligation and Guarantee Recourse and Indemnity Obligation***

The Issuer is obliged to pre-fund the Guarantee Expenses arising from time to time by payment to the General Bank Account of the amount specified by the Guarantor in a Guarantee Pre-funding Notice with value no later than (i) in relation to Guarantee Expenses already due, within one Business Day (ii) in relation to Guarantee Expenses falling Due for Payment in the 60 Business Day period from and including the date of the Guarantee Pre-funding Notice, within five Business Days and (iii) in relation to all other Guarantee Expenses properly quantified in the Guarantee Pre-funding Notice, 60 Business Days prior to the date when the relevant Guaranteed Amount or other amount shall become Due for Payment, or if this is not practicable such other date within such 60 Business Day period as specified in the Guarantee Pre-funding Notice (the **Guarantee Pre-funding Obligation**). Each Pre-funding Claim under the Guarantee Pre-funding Obligation constitutes a conditional cash coverage claim for release of liabilities incurred which is subject to the conditions precedent (*conditions suspensives*) that (x) a Guarantee Activation Notice or Guarantor Acceleration Notice has been served upon the Guarantor, and (y) a Notice to Pay has been served upon the Guarantor for the relevant amount in accordance with the terms of the Guarantee and the Trust Agreement. Each Pre-funding Claim under the Guarantee Pre-funding Obligation shall become due and payable (*exigible*) as set out in the relevant Guarantee Pre-funding Notice as described above.

The Issuer shall reimburse and indemnify the Guarantor for any and all Guarantee Expenses which are paid by the Guarantor, to the extent the Guarantor has not already been compensated under the Guarantee Pre-funding Obligation (the **Guarantee Recourse and Indemnity Obligation**). Each Recourse Claim under the Guarantee Recourse and Indemnity Obligation constitutes a conditional recourse claim which is subject to the conditions precedent that (x) a Guarantee Activation Notice or Guarantor Acceleration Notice has been served upon the Guarantor in accordance with the terms of the Guarantee and the Trust Agreement, and (y) payment of the relevant Guaranteed Amount under the Guarantee has been made. Each Recourse Claim under the Guarantee Recourse and Indemnity Obligation shall become due and payable (*exigible*) upon service of a relevant notice (each a **Guarantee Recourse Notice**).

If the Issuer fails to pay all or part of any amount owed under the Guarantee Pre-funding Obligation or the Guarantee Recourse and Indemnity Obligation on the date specified or indicated in the Guarantee Pre-funding Notice or the Guarantee Recourse Notice, respectively, the Guarantor, or, failing which, the Trustee on behalf of the Guarantor, may enforce a corresponding part of the Cover Pool Assets (including by way of sale of Assigned Mortgage Claims under the terms of the Trust Agreement together with the pertaining Related Mortgage Certificates to an Eligible Investor in accordance with the Security Assignment Agreement) and satisfy the relevant claims of the Covered Bondholders under the Guarantee with (i) the proceeds from Cover Pool Assets and (ii) certain other cash or cash equivalents held by the Guarantor subject to and in accordance with the applicable Priority of Payments.

#### ***Appointment of Swap Providers and entering into Swap Agreements by the Guarantor***

As at the date hereof no Swap Providers have been appointed and no Swap Agreements were entered into by the Guarantor. See *"Risk Factors—certain risks related to Swap Agreements— As at the date of this Base Prospectus, the Guarantor has not appointed an Initial Swap Provider and has not entered into any Swap*

*Agreements. If an Initial Swap Provider is appointed and the Guarantor enters into Swap Agreements following the date of this Base Prospectus, Covered Bondholders will be exposed to additional risks with respect to the reliance on Swap Providers and the Swap Agreements."*

Pursuant to the Guarantee Mandate Agreement, the Issuer may at any time appoint Swap Providers. Upon the appointment of Swap Providers, the Issuer may instruct the Guarantor to enter into Swap Agreements at any time whereupon the Guarantor shall enter into the relevant Swap Agreement(s) in accordance with the Trust Agreement. Pursuant to the Trust Agreement, the parties thereto shall use reasonable endeavours to negotiate and agree (in case of the Trustee at the cost of the Issuer) in good faith any amendments to the Transaction Documents that may be required in order to enable the execution and operation of the necessary Swap Agreement(s) subject to the conditions for modifications pursuant to the Trust Agreement "*—Trust Agreement—Modification*" and Condition 15 (*Modification*), as applicable.

***Swap Termination Payment Recourse and Indemnity and Swap Termination Payment Pre-funding Obligation (if any)***

Upon the appointment of Swap Providers and the conclusion of Swap Agreements by the Guarantor, the following shall apply: The Issuer is obliged to pre-fund any and all Swap Termination Payments (including any Excluded Swap Termination Amounts) payable by the Guarantor to any Replacement Swap Provider arising from time to time by payment to the General Bank Account of the amount specified by the Guarantor (or the Trustee on behalf of the Guarantor) in a relevant notice (the **Swap Termination Payment Pre-funding Notice**) with value no later than (i) one Business Day after receipt of any Swap Termination Payment Pre-funding Notice or (ii) such other date as specified in any Swap Termination Payment Pre-funding Notice, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Guarantor to any respective Replacement Swap Provider (the **Swap Termination Payment Pre-funding Obligation**). Each Pre-funding Claim under any Swap Termination Payment Pre-funding Obligation constitutes a conditional claim which is subject to the conditions precedent that (x) any Swap Ratings Downgrade Event or any Swap Early Termination Event has occurred in relation to any relevant Swap Provider and (y) the relevant amount has come into existence and has been ascertained in accordance with the terms of any relevant Swap Agreement. Each Pre-funding Claim under any Swap Termination Payment Pre-funding Obligation shall become due and payable (*exigible*) upon service of any relevant Swap Termination Payment Pre-funding Notice.

Save to the extent the Guarantor has already been compensated by the Issuer under the Swap Termination Payment Pre-funding Obligation, if any, the Issuer shall reimburse and indemnify the Guarantor for any and all Swap Termination Payments (including any Excluded Swap Termination Amounts), net of any net termination payments or premium payments which the Guarantor receives as a result of the termination of the relevant Swap Agreement, if any, or the entry into a replacement Swap Agreement, if any (the **Swap Termination Payment Recourse and Indemnity Obligation**) due and payable by the Guarantor. Each Recourse Claim under the Swap Termination Payment Recourse and Indemnity Obligation, if any, constitutes a conditional recourse claim which is subject to the conditions precedent that (x) any Swap Ratings Downgrade Event or any Swap Early Termination Event has occurred in relation to any relevant Swap Provider, and (y) payment of the relevant amount to any Replacement Swap Provider has been made. Each Recourse Claim under any Swap Termination Payment Recourse and Indemnity Obligation shall become due and payable (*exigible*) upon service of any relevant notice (each a **Swap Termination Payment Recourse Notice**).

If the Issuer fails to pay all or part of any amount owed under the Swap Termination Payment Recourse and Indemnity Obligation or the Swap Termination Payment Pre-funding Obligation, if any, on the date specified or indicated in any Swap Termination Payment Pre-funding Notice or any Swap Termination Payment Recourse Notice, respectively, the Guarantor, or, failing which, the Trustee on behalf of the Guarantor, may enforce a corresponding part of the Cover Pool Assets (including by way of sale of Assigned Mortgage Claims under the terms of the Trust Agreement together with the related Transferred Mortgage Certificates to an Eligible Investor in accordance with the Security Assignment Agreement) and (as described below), satisfy any Swap Termination Payment or the claims of any relevant Replacement Swap Provider from (i) the proceeds from the enforcement of the relevant part of the Cover Pool Assets and (ii) certain other cash or cash equivalent held by the Guarantor subject to and in accordance with the applicable Priority of Payments.

***General Recourse and Indemnity Obligations and General Recourse and Indemnity Pre-funding Obligations***

The Issuer is obliged to pre-fund any and all amounts covered by the General Recourse and Indemnity Obligation and payable by the Guarantor to a third party from time to time by payment to the General Bank Account of the amount specified by the Guarantor (or the Trustee on behalf of the Guarantor) in writing in a notice in accordance with the Guarantee Mandate Agreement (the **General Indemnity Pre-funding Notice**) with value no later than (i) one Business Day after receipt of the General Indemnity Pre-funding Notice or (ii) such other date as specified in the General Indemnity Pre-funding Notice, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Guarantor to the respective third party (the **General Recourse and Indemnity Pre-funding Obligation**). Any payment under the General

Recourse and Indemnity Pre-funding Obligation shall not prejudice the Issuer's right to ask for full or partial reimbursement of the relevant payment upon presentation of conclusive evidence that the Guarantor did not pay, in good faith, the corresponding amount to a third party. The relevant reimbursement claim shall come into existence and become due and payable 366 days after the due date of the amount pre-funded pursuant to the relevant General Indemnity Pre-funding Notice.

Each Pre-funding Claim under the General Recourse and Indemnity Pre-funding Obligation constitutes a conditional claim which is subject to the conditions precedent that (x) a Notification Event has occurred and (y) the relevant amount has become due and payable. Each Pre-funding Claim under the General Recourse and Indemnity Pre-funding Obligation shall become due and payable upon service of the relevant General Indemnity Pre-funding Notice as described above.

Save to the extent the Guarantor has already been compensated by the Issuer under any other Pre-funding Obligation or any other Recourse and Indemnity Obligation, the Issuer shall reimburse and indemnify the Guarantor for any and all Increased Corporate Service Provider or Cash Manager Expenses paid by the Guarantor and any and all expenses, costs, damages and losses paid or incurred by the Guarantor as a result of non-compliance by the Issuer of its representations, warranties or undertakings as set out in the Guarantee Mandate Agreement or as a result of any payment default by the Issuer as set out in the Guarantee Mandate Agreement (the **General Recourse and Indemnity Obligation**).

Each Recourse Claim under the General Recourse and Indemnity Obligation shall be due and payable upon service of a relevant notice (the **General Indemnity Recourse Notice**).

In case of a bankruptcy of the Issuer pursuant to article 33 et seq. FBA, no Pre-funding Notices or Recourse Notices are required to be served after the communication by the liquidator to the creditors of the Issuer that the upcoming final bankruptcy distribution pursuant to article 36 BIO-FINMA will be paid out to the creditors.

#### ***Claims Separate and Independent***

Except as specifically provided in the Guarantee Mandate Agreement, the Recourse and Indemnity Obligations and the Pre-funding Obligations are separate and independent obligations.

#### ***Fees and Collateral Differential***

As consideration for the issuance of the Guarantee, the Issuer shall pay to the Guarantor the Guarantee Fee at a rate per annum set by mutual agreement of the Issuer and the Guarantor at arm's length terms, as determined on the basis of market rates, in relation to each relevant Series or Tranche of Covered Bonds as of the Issue Date of the relevant Series or Tranche. The determination of the Guarantee Fee, which will remain applicable and unchanged for the entire duration of the relevant Tranche of Covered Bonds, shall be based on the funding advantage of the corresponding Covered Bonds to the Issuer as a result of the issuance of the Guarantee by the Guarantor, and shall be calculated as the difference between the interest rate the Issuer, in its reasonable belief, would have to pay on senior unsecured bonds of the same amount, currency and maturity and the interest rate the Issuer will have to pay for the relevant Tranche of Covered Bonds, taking into account any premium or discount of the Issue Price of the Covered Bonds. The rate of the Guarantee Fee will be applied to the nominal amount of the corresponding Tranche of Covered Bonds in the currency of such Covered Bonds and the resulting Guarantee Fee shall be payable in such currency. The Guarantee Fee is calculated on the basis of the weighted average amount of the relevant Tranche of Covered Bonds outstanding on the first Business Day in the relevant month and the actual number of days lapsed in the relevant period, divided by 360 and is due and payable by the Issuer monthly in arrears on the fifth calendar day of each month or, if such day is not a Business Day, on the next following Business Day.

As consideration for providing to the Guarantor the Cover Pool Assets under the Security Assignment Agreement as security, the Guarantor shall pay over to the Originator, and the Originator shall be entitled to receive from the Guarantor, out of any Guarantee Fee received by the Guarantor, an amount corresponding to the difference between the Guarantee Fee received and the Guarantor Spread Amount (the **Collateral Differential**). The Collateral Differential shall be due and payable to the Originator on the Guarantor Payment Date following the receipt of any Guarantee Fee, free and clear of any taxes, duties or charges.

Upon (i) the service of a Breach of Test Notice, or (ii) the occurrence of an Issuer Event of Default, no Collateral Differential shall become due and any obligation of the Guarantor to pay any Collateral Differential to the Originator shall be deferred for as long as a Breach of Test Notice or an Issuer Event of Default is outstanding. Thereafter, any payment of any deferred amount of Collateral Differential to the Originator shall be made in accordance with the applicable Priority of Payments.

In addition, the Issuer shall pay to the Guarantor a signing fee to cover expenses upon the initial issuance of the Guarantee and each extension as agreed in a separate fee letter between the Issuer and the Guarantor.

### ***Termination***

The Guarantee Mandate Agreement shall remain in full force and effect until expiry of a period ending 366 days after the date on which all potential liabilities guaranteed by the Guarantee have been discharged or satisfied in full. The parties to the Guarantee Mandate Agreement shall agree that, subject to Applicable Law, the Guarantee Mandate Agreement may not be terminated for any default, reason or circumstance prior to that date.

### ***Governing Law and Jurisdiction***

The Guarantee Mandate Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with the Guarantee Mandate Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### ***Security Assignment Agreement***

Pursuant to the terms of the Security Assignment Agreement, the Assignor shall secure the Secured Obligations under the Guarantee Mandate Agreement and the Security Assignment Agreement by assigning and transferring the Mortgage Assets (in particular Assigned Mortgage Claims and Collected Mortgage Payments) and Substitute Assets to the Assignee (being the Guarantor).

### ***Transfer of Mortgage Assets and Substitute Assets***

Pursuant to the Security Assignment Agreement the Assignor undertakes to:

- (a) assign, for security purposes from time to time, Eligible Mortgage Claims and transfer, for security purposes from time to time, Entitlements to the Related Mortgage Certificates to the Assignee; and
- (b) transfer for security purposes from time to time the Substitute Assets to the Assignee, in amount and composition sufficient to ensure that each Pre-Event Test is met as of any Cut-Off Date prior to the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice, and the Assignee undertakes to accept such assignment and transfer.

In the event of the issuance of a Series or Tranche of Covered Bonds, the Assignor undertakes to (i) assign for security purposes Eligible Mortgage Claims and transfer Entitlements to the Related Mortgage Certificates to the Assignee and (ii) transfer for security purposes Substitute Assets to the Assignee in amount and composition sufficient that, based on the most recent Cover Pool Report as adjusted for the additional Cover Pool Assets to be transferred, each Pre-Event Test would have been met on a pro forma basis after giving effect to the issuance of that Series or Tranche of Covered Bonds, as the case may be.

If, as of any Pre-Event Test Date prior to the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice, either the Asset Coverage Test or the Interest Coverage Test is not met, the Assignor agrees, subject to Applicable Law, before the next Cut-off Date after the relevant Pre-Event Test Date, to (i) assign for security purposes to the Assignee additional Eligible Mortgage Claims and (ii) transfer to the Assignee Entitlements to the Related Mortgage Certificates or transfer for security purposes Substitute Assets in an amount and composition sufficient to ensure that the Pre-Event Tests are met as of the following Cut-Off Date (**the Undertaking to Provide Additional Cover**).

However, following the occurrence of an Issuer Event of Default and service of the Guarantee Activation Notice on the Assignee or the occurrence of an Insolvency Event with regard to the Assignor, the Assignor shall no longer be subject to the Undertaking to Provide Additional Cover, which shall cease to apply.

Unless specifically provided otherwise in the Security Assignment Agreement, any and all Mortgage Claims secured by the same Related Mortgage Certificate at the time of the assignment of the relevant Mortgage Claim must be assigned to the Assignee and Entitlements to all Related Mortgage Certificates securing the same Mortgage Claim at the time of the assignment of the relevant Mortgage Claim must be transferred to the Assignee.

### ***Eligibility Criteria***

The Assignor undertakes to assign Mortgage Claims which meet certain eligibility criteria (**the Eligibility Criteria**):

- (a) each Mortgage Debtor is one or more private persons (an **Eligible Mortgage Debtor**);
- (b) Each Mortgage Claim was originated in compliance with the requirements set out in the Guidelines of the Swiss Bankers Association and self-regulatory rules enacted in Switzerland from time to time;
- (c) each Mortgage Claim is denominated in Swiss Francs;



- (d) the aggregate current principal balance of all Mortgage Claims secured by the same Property does not exceed CHF 5,000,000;
- (e) at the time of assignment, the aggregate of all Mortgage Claims relating to a particular Property has a maximum loan-to-value ratio (**LTV**) as per the latest valuation (the **Current LTV**) of 100% (on a Property basis);
- (f) each Mortgage Claim is secured by one or more Mortgage Certificate(s) encumbering an Eligible Property;
- (g) no Mortgage Claim is past due as of the Cut-off Date prior to its assignment to the Assignee;
- (h) no Mortgage Claim loan relates to a Construction Loan;
- (i) no Mortgage Claim permits any further advances or redrawing of any repaid portion of the principal amount of the Mortgage Claim at the sole discretion of the Mortgage Debtor;
- (j) each relevant Property is located in Switzerland (an **Eligible Property**); and
- (k) as per the Cut-off Date, the respective Mortgage Debtor is not in payment default for more than 90 days with respect to any Mortgage Claim owed by such Mortgage Debtor.

#### ***Security Assignment of Mortgage Claims***

The assignment for security purposes of the Mortgage Claims shall be effected by way of a written deed of assignment (each a **Transfer Deed**) on each Transfer Date. Together with the Transfer Deed, the Assignor will provide to the Assignee a list of all Assigned Mortgage Claims and all Related Mortgage Certificates (the **List of Transferred Mortgage Assets**). The sole purpose of the assignment of the Mortgage Claims is to provide security for the Secured Obligations.

#### ***Transfer of Related Mortgage Certificates***

Concurrently with the assignment of a particular Mortgage Claim, the Assignor will transfer Entitlement to any Related Mortgage Certificate serving as security for that particular Mortgage Claim to the Assignee as a continuing security for that particular Mortgage Claim and any other Mortgage Claims secured thereby prior to the transfer.

Transfer of Entitlement to Related Physical Mortgage Certificates to the Guarantor shall be effected by way of signing a Transfer Deed, pursuant to which the Assignor passes title (*propriété*) and indirect original possession (*possession originaire médiate*) to the Physical Mortgage Certificates specified therein to the Assignee as per the Transfer Date. In case of Physical Registered Mortgage Certificates, the Assignee shall endorse each of the Physical Registered Mortgage Certificate specified in the Transfer Deed. As from the relevant Transfer Date, the Assignor will, based on the Collateral Holding Agreement, continue to store the relevant Transferred Physical Mortgage Certificates on its premises in the Vault under and in accordance with the Collateral Holding Agreement, holding them in direct derivative possession (*possession dérivée immédiate*) for the Assignee being the indirect original possessor (*possesseur originaire médiat*) and owner of title (*propriétaire*) of the Transferred Physical Mortgage Certificates. Furthermore, CANb Switzerland as Collateral Holding Agent under the Collateral Holding Agreement undertakes to duly administer, hold and store the Transferred Physical Mortgage Certificates on behalf of the Guarantor.

Transfer of Fiduciary Entitlement to Related Paperless Mortgage Certificates to the Guarantor shall be effected by way of signing a Transfer Deed, pursuant to which the Assignor transfers and assigns any and all rights, claims and obligations under the Related Paperless Mortgage Certificates specified therein to the Assignee as per the Transfer Date and agrees, as from the relevant Transfer Date, to (x) continue to hold the Transferred Paperless Mortgage Certificates as fiduciary (*gestionnaire fiduciaire de la cédule*) for the account and exclusive order of the Assignee, grant the Assignee Fiduciary Entitlements thereunder, (y) book such Related Paperless Mortgage Certificates to the Assignee Paperless MC Custody Account and (z) notify the Assignee by an updated account statement (*relevé de dépôt*) for the Assignee Paperless MC Custody Account, all in accordance with the Collateral Holding Agreement.

In this context, in the relevant Transfer Deed, the Assignor shall offer to the Assignee that it becomes a secured party under the Related Security Transfer Agreement by way of an accession of contract (*adhésion au contrat*), which offer the Assignee shall accept by countersigning such Transfer Deed.

The **Related Security Transfer Agreement** is the agreement based on which the respective Mortgage Certificate(s) has (have) been transferred by a Security Provider to the Originator or an Additional Originator by way of security for a given Assigned Mortgage Claim.

If and to the extent such an accession of contract requires the consent or participation of the relevant Security Provider, the Assignor shall be deemed to be acting on its own behalf and on behalf of the relevant Security Provider.

In the context of acceding to the Related Security Transfer Agreement, the Assignee will specifically acknowledge that as a result of becoming a secured party under the Related Security Transfer Agreement, it will be bound by the terms of that agreement. In particular, any proceeds resulting from the enforcement of Transferred Mortgage Certificates and any Mortgage Certificate Payments must exclusively be applied towards payment and discharge of the relevant Assigned Mortgage Claim(s).

The relevant Security Provider will not have any increased obligations as a result of the accession of the Assignee to the Related Security Transfer Agreement. Subject to anything to the contrary provided for in the Transaction Documents, between the Assignor and the Assignee, only the Assignee will be entitled to exercise rights under the Related Security Transfer Agreement up until the relevant Retransfer Date.

### ***Transfer of Substitute Assets***

The transfer for security purposes of any and all Substitute Assets shall be effected by transfer and deposit of the Substitute Assets by the Assignor, in the case of securities, by way of security transfer to the Cover Pool Custody Account or, in the case of cash, as cash collateral to the Cover Pool Bank Account as designated by the Assignee from time to time in writing. The sole purpose of the transfer of Substitute Assets is to provide security for the Secured Obligations.

### ***Retransfer of Cover Pool Assets***

Prior to the service of the Guarantee Activation Notice on the Assignee, but following the occurrence of a Substitution Event, the Assignor shall request that the Assignee returns, once a month, the Affected Mortgage Assets by way of a reassignment of the affected Assigned Mortgage Claims together with (x) the retransfer of Entitlements to all related Transferred Mortgage Certificates and (y) the reassignment of all other Assigned Mortgage Claims secured by the related Transferred Mortgage Certificates against the unconditional assignment of randomly selected additional or substitute Eligible Mortgage Claims of equivalent nominal value and transfer of all related Transferred Mortgage Certificates.

Prior to the service of the Guarantee Activation Notice on the Assignee, the Assignor has the right to request from the Assignee on each Test Date the return of any particular Cover Pool Asset, provided that such Cover Pool Assets shall be substituted as described in the paragraph above or, if the Cover Pool Assets to be returned are Substitute Assets, such Substitute Assets shall be returned by way of retransfer of Substitute Assets against the unconditional transfer of Substitute Assets of equivalent nominal value.

Prior to the service of the Guarantee Activation Notice on the Assignee, the Assignor may request the Assignee to return any and all Excess Cover Pool Assets including as a result of a redemption in full or in part of a Series of Covered Bonds, either (i) on each Test Date by way of reassignment of Assigned Mortgage Claims together with (x) the retransfer of Entitlements to all related Transferred Mortgage Certificates and (y) the reassignment of all other Assigned Mortgage Claims secured by the related Transferred Mortgage Certificates, or (ii) on each Test Date by way of retransfer of Substitute Assets, always provided that the Asset Coverage Test and the Interest Coverage Test would have been met on the relevant Cut-Off Date without including the Excess Cover Pool Assets to be returned.

The Assignor undertakes to ensure that prior to the occurrence of an Issuer Event of Default, the ratio between (A) the aggregate nominal amount of cash and other Substitute Assets within the Cover Pool, excluding amounts standing to the credit of the Interest Accumulation Ledger or the Liquidity Reserve Fund Ledger, and (B) the aggregate nominal amount of the Cover Pool (including cash and other substitute Assets and Mortgage Claims) does not, at any time exceed the Prescribed Cash Limit.

Without prejudice to the retransfer of Discharged Mortgage Certificates, following the service of the Guarantee Activation Notice on the Assignee or the occurrence of an Insolvency Event with regard to the Assignor, the Assignor may no longer request that Cover Pool Assets be retransferred or exchanged and the Assignee shall no longer agree to any reassignment or retransfer of Mortgage Assets or Substitute Assets. Irrespective of the occurrence of an Issuer Event of Default or an Insolvency Event with regard to the Assignor, after the occurrence of a Discharge Event with respect to Discharged Mortgage Certificates, the Assignee shall be entitled to retransfer Entitlements to the Discharged Mortgage Certificates in accordance with the Security Assignment Agreement.

### ***Notification to Mortgage Debtor***

Prior to the occurrence of a Notification Event, the Assignee shall (i) only notify a Mortgage Debtor or Security Provider of the assignment of Assigned Mortgage Claims or the transfer of Entitlements to Transferred Physical Mortgage Certificates if and to the extent such notification is reasonably necessary for protecting and

pursuing the Assignee's rights under the Security Assignment Agreement, and (ii) only apply for (x) registration as a creditor of the relevant Transferred Physical Mortgage Certificates in the relevant creditors' register held with the relevant Land Register (*registre des créanciers du registre foncier*) and (y) registration as a creditor of the Transferred Paperless Mortgage Certificate in the relevant Land Register (*registre foncier*), in each case, if and to the extent it deems such registration to be reasonably necessary for protecting and pursuing the Assignee's rights under the Security Assignment Agreement or its Entitlements to a Transferred Physical Mortgage Certificate. Notwithstanding the above, the Assignor shall notify a Mortgage Debtor or Security Provider of the assignment of Assigned Mortgage Claims or the transfer of Entitlements to Transferred Mortgage Certificates, respectively, in whatever form it may deem fit, if and to the extent (x) it has been authorized by the Assignee to do so, (y) it is required to do so by mandatory law or (z) based upon a specific request by the relevant Mortgage Debtor or Security Provider.

Upon the occurrence of a Notification Event, the Assignee shall notify the relevant Mortgage Debtor and Security Provider of the assignment of Assigned Mortgage Claims and the transfer of Entitlements to Transferred Mortgage Certificates and instruct such Mortgage Debtor to make all further payments in respect of the relevant Assigned Mortgage Claims to an account held in the name of the Assignee by way of an information letter as set out in the Security Assignment Agreement. Simultaneously, the Assignee may, but is not obliged to, apply for registration as a creditor of (i) the relevant Transferred Physical Mortgage Certificates with the relevant creditors' register held with the relevant Land Register (*registre des créanciers du registre foncier*) or (ii) the relevant Transferred Paperless Mortgage Certificate in the relevant Land Register (*registre foncier*). The Assignor shall, upon request by the Assignee, confirm the assignment directly to the relevant Mortgage Debtor.

#### ***Collected Mortgage Payments Prior to the Occurrence of an Issuer Event of Default***

Prior to the occurrence of the earlier of (i) an Issuer Event of Default or (ii) a Servicing Termination Event (a **Notification Event**), the Assignor shall continue to be competent and entitled to receive and collect Mortgage Payments for the account of the Assignee. The Assignee irrevocably waives any right, title and interest to Collected Mortgage Payments and no transfer of Collected Mortgage Payments to the Assignee shall be made with respect to Collected Mortgage Payments received or collected prior to the relevant Mortgage Payment Transfer Date provided that (i) no Liquidity Reserve Trigger Event has occurred, (ii) no Notification Event or Issuer Event of Default or Guarantor Event of Default has occurred and (iii) no Breach of Test Notice has been served on the Assignor which is still outstanding on that Mortgage Payment Transfer Date.

For so long as a Liquidity Reserve Trigger Event is continuing, the Assignor shall transfer Collected Mortgage Payments received on and from the date of the occurrence of such Liquidity Reserve Trigger Event in such amounts as are sufficient from time to time to fund the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Required Amount in accordance with the Intercreditor Agreement within five Business Days of receipt or set-off of the same. Any retransfer of Collected Mortgage Payments so transferred shall be made in accordance with and subject to the provisions of the Intercreditor Agreement.

Upon the service of a Breach of Test Notice (which has not been revoked), the occurrence of a Guarantor Event of Default or a Notification Event (other than a Notification Event triggered by the occurrence of an Issuer Event of Default), the Assignor shall transfer to the Assignee any amounts received by it as Collected Mortgage Payments and the Cash Manager acting on behalf of the Assignee shall be entitled to apply any such Collected Mortgage Payments for the following purposes subject to and in accordance with the applicable Priority of Payments set forth in the Intercreditor Agreement:

- (a) replenishment of the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Required Amount; and
- (b) after the occurrence of an Enforcement Event and a transfer to the General Bank Account pursuant to the terms of the Intercreditor Agreement, payment of any amounts due by the Guarantor.

Collected Mortgage Payments received by the Assignee shall, to the extent not used to make payments in respect of amounts due by the Assignee under (b) above or to make replenishments under (a) above, be (i) returned to the Assignor, provided that no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing and no Breach of Test Notice is outstanding, or (ii) for as long as the conditions set out in (i) above are not satisfied, withheld by the Assignee as cash collateral in the Cover Pool Bank Account for any Secured Obligations and, upon the occurrence of an Enforcement Event, applied against the Secured Obligations in accordance with the Security Assignment Agreement.

Upon the occurrence of a Notification Event but prior to the occurrence of an Issuer Event of Default, the Assignee or the Cash Manager acting on its behalf, shall be entitled to apply any Mortgage Payments directly received by the Assignee for the following purposes in accordance with the applicable Priority of Payments set forth in the Intercreditor Agreement:

- (a) replenishment of the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Required Amount; and
- (b) after the occurrence of an Enforcement Event and a transfer to the General Bank Account pursuant to the terms of the Intercreditor Agreement, payment of any amounts due by the Assignee.

Mortgage Payments directly received by the Assignee shall, to the extent not used to make payments in respect of amounts due by the Assignee under (b) or to make replenishments under (a) above, be (i) transferred to the Assignor, provided that no Issuer Event of Default or Guarantor Event of Default has occurred and is continuing and no Breach of Test Notice is outstanding, or (ii), for as long as the conditions set out in (i) above are not satisfied, withheld by the Assignee as cash collateral in the Cover Pool Bank Account for any Secured Obligations and, upon the occurrence of an Enforcement Event, applied against the Secured Obligations in accordance with the Security Assignment Agreement.

***Mortgage Payments upon the Occurrence of an Issuer Event of Default***

Upon and after the occurrence of an Issuer Event of Default or an Insolvency Event with respect to the Assignor, the Assignee shall be entitled to withhold any Mortgage Payments received, directly or indirectly, by it as a cash collateral in the Cover Pool Bank Account for any Secured Obligations and, upon the occurrence of an Enforcement Event, to apply against the Secured Obligations in accordance with the Security Assignment Agreement.

Without prejudice to the above, upon and after the occurrence of an Issuer Event of Default or an Insolvency Event with regard to the Assignor, the Assignor shall transfer to the Assignee any amounts received by it as Collected Mortgage Payments and the Assignee, acting through the Cash Manager, shall be entitled to apply any Mortgage Payments for making payments due under Swap Agreements (if any) or under Accumulation Series Covered Bonds directly, subject to and in accordance with the applicable Priority of Payments set forth in the Intercreditor Agreement.

***Enforcement of Mortgage Certificates outside an Enforcement of the Cover Pool***

Prior to the occurrence of a Notification Event, the Assignee shall not be entitled to enforce any Transferred Mortgage Certificates, and Transferred Mortgage Certificates to be enforced against the relevant Mortgage Debtor and/or Security Provider shall be retransferred to the Assignor. Upon and after the occurrence of a Notification Event, if and to the extent an Assigned Mortgage Claim becomes due and payable, the Assignee or the Assignor on behalf of the Assignee (as applicable) shall be entitled, in case of a Transferred Paperless Mortgage Certificate, to register the Assignee as creditor of the relevant Transferred Paperless Mortgage Certificate in the relevant Land Register (*registre foncier*), to enforce the related Transferred Mortgage Certificates and to apply the Mortgage Certificate Enforcement Proceeds and any Mortgage Certificate Payments it may receive against the respective Assigned Mortgage Claim and, upon the occurrence of an Enforcement Event, to apply such proceeds and payments (excluding Mortgage Certificate Excess Enforcement Proceeds, if any) against the Secured Obligations.

***Liquidation of Cover Pool Assets upon the Occurrence of an Issuer Event of Default***

Upon the occurrence of an Issuer Event of Default, the Assignee will calculate the Adjusted Swap Required Amount (if any) and shall liquidate such Cover Pool Assets in accordance with the provisions of the Security Assignment Agreement so that the net proceeds thereof are equal to (or approximately equal to) the Adjusted Swap Required Amount calculated as at the Business Day prior to the Liquidation Date. See "*Trust Agreement*".

***Enforcement and/or Liquidation of Cover Pool Assets upon the Occurrence of an Enforcement Event***

Upon and after the occurrence of an Enforcement Event and without prejudice to the limitations set forth in the Security Assignment Agreement in respect of liquidation of Assigned Mortgage Claims in order to provide liquidity in respect of the Adjusted Swap Required Amount (if any), the Assignee shall be entitled to enforce and/or liquidate a part of the Cover Pool Assets sufficient to discharge the relevant Secured Obligations in one or more of the following ways:

- (a) The Assignee may, subject to the provisions of Lex Koller and any other legal requirements, itself or through a third party retained by it for that purpose, directly assert and enforce an Assigned Mortgage Claim vis-à-vis the respective Mortgage Debtor, and, to the extent the Assigned Mortgage Claim has become due, collect the principal amount and any related interest payments and, in case of non-payment, liquidate, *inter alia*, by way of a private sale (*vente de gré à gré*) to an Eligible Investor of the Transferred Mortgage Certificates relating to the relevant Assigned Mortgage Claim in accordance with Applicable Law. The Assignee may, in its sole discretion, allow a Mortgage Debtor to defer payment, agree on changes to the terms of an Assigned Mortgage Claim (including partial cancellation (*remise de dette partielle*)) and take any other legal and other steps required or useful to collect and service the Assigned Mortgage Claims and that are customary in the Swiss

market in connection with mortgage loans or the related security with the purpose of maximising the enforcement proceeds.

- (b) The Assignee may, subject to the provisions of the Lex Koller and any other legal requirements, liquidate any Assigned Mortgage Claim, *inter alia*, by way of private sale (*vente de gré à gré*) to an Eligible Investor and, in doing so, pool any of the Assigned Mortgage Claims in portfolios as it deems appropriate, in its sole discretion, provided that the requirements as set out in the Security Assignment Agreement are complied with. Applicable requirements include compliance with certain undertakings entered into by the Assignor with a view to ensure that the Mortgage Debtor's position is not prejudiced as a result of the assignment, compliance with the Servicing Standards and the passing on of the relevant obligations to any subsequent acquirer, which again may only be an Eligible Investor.
- (c) If the Assignee reasonably determines that it is necessary in order to enable it to meet its payment obligations under the Guarantee when the same become due, the Assignee may, subject to and in accordance with then prevailing Applicable Law, enter into and perform a sale and repurchase transaction with an Eligible Investor with respect to Assigned Mortgage Claims (each such transaction, a **Repo Transaction**), provided that certain requirements as set out in the Security Assignment Agreement are complied with, including the restriction that only Fixed Rate Mortgage Claims be used for the Repo Transaction.
- (d) If the Assignee reasonably determines that it is necessary in order to be in a position to meet its payment obligations under the Guarantee when the same becomes due, the Assignee may, subject to and in accordance with then prevailing Applicable Law, sell Assigned Mortgage Claims to an Eligible SPV and issue negotiable debt instruments or other negotiable securities in order to finance the acquisition of such Assigned Mortgage Claims (each such sale, a **Securitisation Transaction**), provided that certain requirements as set out in the Security Assignment Agreement are complied with.
- (e) The Assignee may freely dispose of any other Cover Pool Assets, including but not limited to (i) any Collected Mortgage Payments received by the Assignee to which it is entitled according to the Security Assignment Agreement, (ii) any Swap Payments received by the Assignee, (iii) any Substitute Assets, (iv) the Liquidity Reserve Fund Required Amount recorded on the Liquidity Reserve Fund Ledger, and (v) any proceeds received by the Assignee for discharge of any and all Secured Obligations existing from time to time in accordance with the Security Assignment Agreement.

The Assignee is at liberty to enforce the Secured Obligations without having to first enforce and/or liquidate the Cover Pool Assets.

### **Cover Pool Tests**

#### Asset Coverage Test

The Parties agreed to appoint and instruct the Assignor to perform the Asset Coverage Test as of each Pre-Event Test Date prior to the IED Guarantee Activation Date. The Administration Services Provider has agreed to verify Asset Coverage Test Calculations performed by the Assignor. In addition, the Parties appointed the Asset Monitor to periodically verify the calculations. See "*Credit Structure — Asset Coverage Test*".

#### Interest Coverage Test

The Parties agreed to appoint and instruct the Assignor to perform the Interest Coverage Test as of each Pre-Event Test Date prior to the IED Guarantee Activation Date. The Administration Services Provider has agreed to verify Interest Coverage Test calculations performed by the Assignor. In addition, the Parties appointed the Asset Monitor to periodically verify the calculations. See "*Credit Structure — Interest Coverage Test*".

#### Amortisation Test

The Parties agreed to appoint and instruct the Assignor or the Replacement Servicer (as the case may be), to perform the Amortisation Test as of each Test Date after the IED Guarantee Activation Date. The Administration Services Provider has agreed to verify Amortisation Test calculations performed by the Assignor or the Replacement Servicer (as the case may be). In addition, the Parties appointed the Asset Monitor to periodically verify the calculations. See "*Credit Structure — Amortisation Test*".

### ***Representation and Warranties regarding the Mortgage Assets***

The Assignor shall, *inter alia*, give the following representations and warranties regarding the Mortgage Credit Agreements, the Security Transfer Agreements, the Mortgage Claims, the Mortgage Certificates and the Properties.

#### ***Mortgage Credit Agreement and Security Transfer Agreement***

The Assignor represents and warrants to the Assignee as of the Transfer Reference Date of the Transfer Deed by which the relevant Mortgage Asset has been transferred and on each Cut-off Date during the existence of the Security Assignment Agreement in relation to each Mortgage Credit Agreement and the Related Security Transfer Agreement relating to the relevant Mortgage Assets as follows:

- (a) the relevant Mortgage Credit Agreement and Related Security Transfer Agreement are legally binding and enforceable and are governed by Swiss law;
- (b) the Assignor has fulfilled and will continue to fulfil all its obligations under the relevant Mortgage Credit Agreement and Related Security Transfer Agreement;
- (c) the relevant Mortgage Credit Agreement is evidenced by a documentation which includes (a) the Mortgage Debtor's consent to the transfer of all or parts of the relevant loan relationship (*relation de crédit*) with all securities and ancillary rights by the Assignor; and (b) the Mortgage Debtor's consent to provide parties to such transfer and other involved person with information relating to the relevant loan relationship (*relation de crédit*), whereby such third parties will undertake a corresponding contractual secrecy obligation;
- (d) the Related Security Transfer Agreement is evidenced by documentation which includes (a) the Security Provider's consent to the transfer of all or parts of the Assignor's rights and obligations under the Related Security Transfer Agreement by the Assignor, and (b) the Security Provider's consent to provide parties to such transfer and any other involved person with information relating to the relevant loan relationship (*relation de crédit*), whereby such third party will undertake a corresponding contractual secrecy obligation;
- (e) the relevant Mortgage Credit Agreement and Related Security Transfer Agreement have been made on the basis of the Originator's Standard Mortgage Documentation (or similar documentation in case of Mortgage Assets purchased by the Originator from third-parties) applicable at the time of entering into the relevant agreement;
- (f) each Security Provider under the Related Security Transfer Agreement is also a Mortgage Debtor pursuant to the Mortgage Credit Agreement and debtor of the Mortgage Certificate Claim of the relevant Related Mortgage Certificate(s) so that at least one of the relevant Mortgage Debtor(s) is also a Security Provider under the Related Security Transfer Agreement and a debtor of the Mortgage Certificate Claim of the relevant Related Mortgage Certificate(s);
- (g) none of the Mortgage Credit Agreements constitutes an agreement regulated or partly regulated by any consumer credit legislation;
- (h) none of the Mortgage Credit Agreements has an interest rate which is in breach of any applicable Swiss interest-abuse regulations; and
- (i) none of the Mortgage Credit Agreements and Related Security Transfer Agreements have been made in breach of the Swiss Federal Act on Unfair Competition.

#### ***Mortgage Claims***

The Assignor represents and warrants to the Assignee as of the respective Transfer Reference Date of the Transfer Deed by which the relevant Mortgage Claim has been assigned and (except for sub-clause (b) and (c) below) on each Cut-off Date during the subsistence of the Security Assignment Agreement in relation to each Assigned Mortgage Claim assigned by the relevant Transfer Deed as follows:

- (a) the relevant Mortgage Claim is an unconditional, existing, valid, binding and enforceable obligation of the respective Mortgage Debtor;
- (b) the relevant Mortgage Claim has been originated in compliance with the Assignor's customary loan origination procedures (or similar documentation in case of Mortgage Assets purchased by the Originator from third-parties) and the requirements set out in the Guidelines of the Swiss Bankers' Association concerning (i) the examination, assessment and handing of mortgage credits, and (ii) minimum requirements for mortgage financings (or any other Applicable Law or similar self-regulatory rules enacted from time to time);

- (c) the relevant Mortgage Claim has been originated by the Assignor (or, in case of Mortgage Assets purchased by the Originator from third-parties, by such third-party) in its own name and for its own account in accordance with the relevant provisions of the Lex Koller;
- (d) no authorisation is required under the Lex Koller in respect of any Mortgage Claim originated by the Assignor (or, in case of Mortgage Assets purchased by the Originator from third-parties, by such third-party);
- (e) each Mortgage Debtor is an Eligible Mortgage Debtor and, if more than one person is a Mortgage Debtor in respect of the same Mortgage Claim, each Mortgage Debtor is jointly and severally liable for all payment obligations under such Mortgage Claim;
- (f) the relevant Mortgage Claim and the Related Ancillary Rights are (i) governed by Swiss law, (ii) freely assignable and (iii), upon assignment in accordance with the relevant Transfer Deed and the terms of the Security Assignment Agreement, free and unencumbered of any claims, charges, reservations or third party interests of any kind (including, without limitation, any Security Interest);
- (g) the Assignor is the sole legal creditor of the relevant Mortgage Claim and has the unrestricted authority to assign it to the Assignee; and
- (h) the Assignor has not concluded and will not conclude any assignment agreement in relation to the relevant Mortgage Claim in favour of a third party.

### ***Mortgage Certificates***

The Assignor represents and warrants to the Assignee as of the respective Transfer Reference Date of the Transfer Deed by which Entitlement to the relevant Mortgage Certificate has been transferred to the Assignee and (except for sub-clause (d), (g) and (h)) during the subsistence of the Security Assignment Agreement in relation to each Transferred Mortgage Certificates as follows:

- (a) the relevant Transferred Mortgage Certificate is either (i) a Physical Mortgage Certificate certificated in the form of a Physical Bearer Mortgage Certificate (*cédule hypothécaire au porteur*) or a Physical Registered Mortgage Certificate (*cédule hypothécaire nominative*) or (ii) a Paperless Mortgage Certificate (*cédule hypothécaire de registre*) for which the Collateral Holding Agent is registered as the sole creditor in the main register (*grand livre*) of the relevant Land Register (*registre foncier*);
- (b) the relevant Transferred Mortgage Certificate is (i) validly issued and properly entered in the relevant Land Register as a Swiss "*cédule hypothécaire*", (ii) properly registered in the relevant Land Register as economically the first ranking security interest on the relevant Property (with the exception of statutory liens), unless Entitlements to all superior and equal ranking Mortgage Certificates will be transferred to the Assignee together with such lower ranking Mortgage Certificates, and (iii) in case of a Physical Registered Mortgage Certificate (*cédule hypothécaire nominative*), validly endorsed without restriction (*endossement complet*);
- (c) the relevant Transferred Mortgage Certificate is free and unencumbered of any claims, charges, reservations, voidability rights or third party interests of any kind (including, without limitation, any Security Interest) other than under the Related Security Transfer Agreement with the relevant Security Provider and other than the Collateral Holding Agent may have as fiduciary (*fiduciaire*) of Paperless Mortgage Certificates;
- (d) the Assignor is the sole legal and beneficial owner of the relevant Transferred Mortgage Certificate and is duly authorised to transfer it to the Assignee;
- (e) Entitlement to the relevant Transferred Mortgage Certificate has been validly transferred to the Assignor as security for all liabilities under the relevant Mortgage Credit Agreement (and possibly other indebtedness of the Mortgage Debtors, if applicable) by the relevant Security Provider, on the basis of a Related Security Transfer Agreement;
- (f) the relevant Physical Mortgage Certificate is stored in the designated premises of the Assignor;
- (g) the relevant Transferred Mortgage Certificate gives the Assignor unencumbered title thereto pursuant to the terms of the Related Security Transfer Agreement;
- (h) the relevant Transferred Mortgage Certificate, together with any other Transferred Mortgage Certificates securing the repayment of the relevant Assigned Mortgage Claim, has a face value equal to or greater than the aggregate amount of the relevant Assigned Mortgage Claim.

## *Properties*

The Assignor represents and warrants to the Assignee as of the respective Transfer Reference Date of the Transfer Deed by which the relevant Mortgage Asset had been transferred to the Assignee and during the subsistence of the Security Assignment Agreement in relation to each Property encumbered by a Transferred Mortgage Certificate as follows:

- (a) so far as the Assignor is aware, the relevant Mortgage Credit Agreement was not made for the purpose of funding the acquisition of a Property that was intended to be used by the inhabitant on a continuous basis for a commercial purpose (for the avoidance of doubt, buy-to-let shall not be deemed a commercial purpose);
- (b) the relevant Property is owned/co-owned by at least one Security Provider who has signed a Related Security Transfer Agreement and transferred the Mortgage Certificates encumbering that Property to the Assignor; and
- (c) the relevant Property is, pursuant to the relevant Mortgage Credit Agreement, to be insured against damage or destruction in accordance with the Assignor's customary loan origination procedures and applicable cantonal laws.

## *Increased Services Provider Expenses Pre-funding Obligation and Increased Services Provider Expenses Recourse and Indemnity Obligation*

The Assignor is obliged to pre-fund any and all Increased Services Provider Expenses arising from time to time by payment to the General Bank Account of the amount specified by the Assignee (or the Trustee on behalf of the Assignee) in a notice for pre-funding (each an **Increased Services Provider Expenses Pre-funding Notice**), with value no later than (i) one Business Day after receipt of the Increased Services Provider Expenses Pre-funding Notice or (ii) at such other date as specified in the Increased Services Provider Expenses Pre-funding Notice, provided that the relevant amount shall not become due earlier than 30 Business Days prior to the due date of the relevant payment owed by the Assignee to the respective Third Party Services Provider (the **Increased Services Provider Expenses Pre-funding Obligation**). Any payment under the Increased Services Provider Expenses Pre-funding Obligation shall not prejudice the Assignor's right to ask for full or partial reimbursement of the relevant payment upon presentation of conclusive evidence that the Assignee did not pay, in good faith, the corresponding amount to a Third Party Services Provider.

Each Pre-funding Claim under the Increased Services Provider Expenses Pre-funding Obligation constitutes a conditional cash coverage claim for release of liabilities incurred which is subject to the conditions precedent that the relevant amount has come into existence and has been ascertained in accordance with the terms of the relevant agreement with a Third Party Services Provider and shall become due and payable upon service of a relevant Increased Services Provider Expenses Pre-funding Notice or upon the Assignor being effectively wound up as a result of Insolvency Proceedings.

Save to the extent the Assignee has already been compensated under the Increased Services Provider Expenses Pre-funding Obligation, the Assignor shall reimburse and indemnify the Assignee for any and all Increased Services Provider Expenses (the **Increased Services Provider Expenses Recourse and Indemnity Obligation**), and together with the Guarantee Recourse and Indemnity Obligation, the Swap Termination Payment Recourse and Indemnity Obligation, the General Recourse and Indemnity Obligation, the **Recourse and Indemnity Obligations**).

Each Recourse Claim under the Increased Services Provider Expenses Recourse and Indemnity Obligation constitutes a conditional recourse claim which is subject to the conditions precedent that payment of the relevant amount to a Third Party Services Provider has been made by or on behalf of the Assignee and shall become due and payable upon service of a relevant notice (each an **Increased Services Provider Expenses Recourse Notice**).

In case of a bankruptcy of the Assignor pursuant to article 33 et seq. FBA, no Pre-funding Notices or Recourse Notices are required to be served after the communication by the liquidator to the creditors of the Assignor announcing the upcoming final bankruptcy dividend payment pursuant to article 36 para. 3 BIO-FINMA shall have been received.

Increased Services Provider Expenses means the Nominal Amount of any and all sums paid or payable by or on behalf of the Assignee to (i) any Replacement Servicer and (ii) to any Replacement Third Party Services Provider in relation to any and all liabilities, claims, costs and expenses which the Assignee may suffer, sustain or incur as a consequence of the non-compliance by the Assignor with any of the Assignor's representations, warranties, undertakings or other obligations under the Security Assignment Agreement. Increased Services Provider Expenses in relation to any Replacement Third Party Services Provider shall include, but not be limited to, any additional amounts which reflect increased expenses or costs to the Assignee and which are due to a Third Party Services Provider, but exclude (x) any and all amounts which would have been due to a Third Party Services



Provider irrespective of the Assignor's non-compliance or default and (y) any increased costs or losses caused by the Guarantor's own gross negligence or wilful default in complying with its representations, warranties or obligations under the Transaction Documents, unless such gross negligence or wilful default concurrently constitutes non-compliance on the part of the Assignor with its representations, warranties or obligations under the Transaction Documents.

### ***Servicing of Serviced Mortgage Assets***

The Assignor shall, as part of the transfer of Mortgage Assets for security purposes, at its own cost and expense (including Taxes) continue, subject to revocation of the authorisation upon a Servicing Termination Event, to service in accordance with the Security Assignment Agreement, in its reasonable discretion and with the goal of maximising recoveries and minimising losses, subject to and in accordance with (i) its standard operation procedures and servicing and enforcement policies for its mortgage loans and mortgage certificates from time to time, and (ii) the provisions of the Security Assignment Agreement and the servicing standards set out as a schedule to the Security Assignment Agreement (the **Servicing Standards**) to service and administer the Serviced Mortgage Assets.

The servicing and administration of the Serviced Mortgage Assets shall include, but not be limited to, (i) identifying, collecting and posting all payments by a Mortgage Debtor or a Security Provider in respect of the Serviced Mortgage Assets, (ii) collecting all past due amounts owed by a Mortgage Debtor or a Security Provider in accordance with the Assignor's customary arrears and default procedures for the collection of past due amounts in respect of any Serviced Mortgage Assets, (iii) accounting for Collected Mortgage Payments, (iv) monitoring and management of delinquencies and enforcing Defaulted Mortgage Claims, (v) valuation of the Properties, and (vi) preparing and delivering reports and statements, as described below.

The Assignor shall not delegate or entrust a third person with the servicing and administration of the Serviced Mortgage Assets except for the following services: (i) the services to be performed by the Collateral Holding Agent in accordance with the Collateral Holding Agreement, (ii) valuation of a Property, (iii) sale of a Property, (iv) enforcement of Assigned Mortgage Claims by professional collection agents or lawyers after debt enforcement procedures have been initiated, and (v) the enforcement of a Certificate of Shortfall according to articles 149 and 265 DEBA by professional collection agents or lawyers; provided, however, that in each case the Assignor shall (x) exercise all due care in the selection of any such delegate or agent, (y) be liable for any fees, costs, charges or expenses (including Taxes) payable to or incurred by any of its delegates or agents and (z) remain responsible for any acts or omissions of its delegates or agents.

In addition to the servicing and the administration of the Serviced Mortgage Assets according to the Security Assignment Agreement, the Assignor in its function as Cash Manager or any Replacement Cash Manager shall continue to service and administer the Substitute Assets in accordance with the Cash Management Agreement.

### ***Authorisation***

Prior to the occurrence of a Notification Event, the Assignor shall be authorised (*autorisé*), in order to preserve the value of the Serviced Mortgage Assets in its own interest as provider of such assets, subject to the limitations contained to the Security Assignment Agreement, the Collateral Holding Agreement, the relevant Mortgage Credit Agreement and the Related Security Transfer Agreement, as applicable, to exercise all rights under or in connection with the Serviced Mortgage Assets vis-à-vis the Mortgage Debtors and the Security Providers and any third party, in each case unless provided otherwise therein, in its own name, with or without disclosing the agency relationship (*rapport de représentation*) or the fact that it is acting for the account of or with effect for the Assignee, respectively. Accordingly, the Assignee shall not take any steps to assert any such rights or authorise a third party to do so prior to the occurrence of a Notification Event unless otherwise provided for in the Security Assignment Agreement.

Without limitation of the foregoing, the Assignor shall have the right, in order to preserve the value of the Serviced Mortgage Assets in its own interest, to perform the following legal actions with respect to the Serviced Mortgage Assets in its own name but on behalf of the Assignee until the occurrence of a Notification Event:

- (a) collect Assigned Mortgage Claims (including but not limited to service of a reminder notice (*interpellation*) and service of a default notice (*mise en demeure*), but excluding the initiating of debt collection, attachment and Insolvency Proceedings and the enforcement of Transferred Mortgage Certificates);
- (b) agree on modalities of discharge of an Assigned Mortgage Claim, accept fulfilment actions and notices (including but not limited to notices of set-off in cases where the right of set-off has not been contractually excluded) from the Mortgage Debtor in relation to an Assigned Mortgage Claim and perform any legal action resulting in the extinguishment of an Assigned Mortgage Claim (including,

but not limited to novation (*novation*) and cancellation (*remise de dette*) of an Assigned Mortgage Claim (or any part thereof such as Breakage Costs));

- (c) consent to any amendments to the terms and conditions of Assigned Mortgage Claims (including but not limited to deferral of payment of principal and interest (*sursis*) and changes to contractually agreed interest rates), as it may determine to be appropriate to maximize collections in respect of such Assigned Mortgage Claim;
- (d) subject to certain exceptions and subject to certain conditions as set out in the Security Assignment Agreement, agree on any amendments to an existing Mortgage Credit Agreement and the conclusion of a new Mortgage Credit Agreement with effect for Assigned Mortgage Claims; and
- (e) agree on any amendments to an existing Security Transfer Agreement and the conclusion of a new Security Transfer Agreement with effect for Transferred Mortgage Certificates, except where such an amendment or new Security Transfer Agreement would result in an alteration, cancellation or rescission of the consent given by the Security Provider in the Related Security Transfer Agreement pursuant to which the Originator is entitled to transfer Entitlements to Transferred Mortgage Certificates as security for the relevant Assigned Mortgage Claims to a third party.

Following the occurrence of an Issuer Event of Default, the Assignor shall be authorised (*autorisé*), in order to preserve the value of the Serviced Mortgage Assets in its own interest as provider of such assets and/or beneficial owner, subject to the limitations pursuant to the Security Assignment Agreement, the Collateral Holding Agreement, the relevant Mortgage Credit Agreement and the Related Security Transfer Agreement, as applicable, to perform the following legal actions with respect to the Serviced Mortgage Assets, such legal actions to be performed in the name and for the account of the Assignee in accordance with the Servicing Standards:

- (a) collect Assigned Mortgage Claims (including but not limited to service of a reminder notice (*interpellation*), service of a default notice (*mise en demeure*), initiating debt collection, attachment and Insolvency Proceedings, enforcement of Transferred Mortgage Certificates), as well as taking all relevant action and steps (including by way of initiation of or response to litigation proceedings) in connection with the foregoing activities;
- (b) agree on modalities of discharge of an Assigned Mortgage Claim, accept fulfilment actions and notices (including but not limited to notices of set-off in cases where the right of set-off has not been excluded as a matter of contract or as a matter of law) from the Mortgage Debtor in relation to an Assigned Mortgage Claim and perform any legal action resulting in the cancellation (*remise de dette*) of an Assigned Mortgage Claim (including but not limited to any Breakage Costs);
- (c) consent to any amendments to the terms and conditions of Assigned Mortgage Claims (including but not limited to deferral of payment of principal and interest (*sursis*)) and changes to contractually agreed interest rates), as it may determine to be appropriate to maximise collections in respect of such Assigned Mortgage Claim;
- (d) any other legal actions and steps a reasonable, prudent mortgage lender would be expected to take in servicing and administering its mortgage loans and related mortgage certificates, but to the exclusion of any legal actions resulting in novation (*novation*) of an Assigned Mortgage Claim, and

always provided that the Assignor shall use its reasonable endeavours to cause any Mortgage Payments collected to be paid directly to the account of the Guarantor notified to the relevant Mortgage Debtor.

Notwithstanding anything in the Security Assignment Agreement or any other Transaction Document, following the occurrence of an Issuer Event of Default or a Guarantor Event of Default (whichever is earlier), the Assignor shall not, without the prior authorisation or consent of the Assignee, take any action that would result in the (full or partial) lapse of an Assigned Mortgage Claim, including, without limitation, cancellation (*remise de dette*), set-off of Assigned Mortgage Claims and termination of Assigned Mortgage Claims or the respective Mortgage Credit Agreements and release of Transferred Mortgage Certificates other than in accordance with the Security Assignment Agreement.

#### ***Repayment and Discharge of Assigned Mortgage Claims***

Subject to the provisions of the relevant Mortgage Credit Agreement and the Servicing Standards set out in the Security Assignment Agreement, the Servicer shall accept repayments and other fulfilment actions (*actes d'exécution*) and notices (including but not limited to notices of set-off in cases where the right of set-off has not been excluded as matter of contract or as a matter of law) from the Mortgage Debtor in relation to an Assigned Mortgage Claim. Furthermore, the Servicer may consent to an Assigned Mortgage Claim being discharged by way of a payment made or a payment obligation assumed by a third party bank (acting on behalf of the relevant Mortgage Debtor), provided that such a payment obligation by the third party bank is in favour of (i) prior to the

occurrence of a Notification Event, the Assignor and (ii), upon or after the occurrence of a Notification Event, the Assignee or the Servicer acting in the name and on behalf of the Assignee.

### ***Enforcement of Defaulted Mortgage Claims and Bankruptcy of Mortgage Debtor***

Prior to the occurrence of a Notification Event, the Servicer shall not be entitled to enforce any Serviced Mortgage Assets and the Serviced Mortgage Assets to be enforced shall be reassigned, retransferred or substituted, as the case may be, by the Assignee to the Assignor in accordance with the Security Assignment Agreement.

Upon and after the occurrence of a Notification Event, if there is a default by a Mortgage Debtor in the performance of any payment obligation owed to the Assignee under an Assigned Mortgage Claim or if the Mortgage Debtor has become subject to bankruptcy proceedings, then the Servicer (or any replacement Servicer following a Servicing Termination Event), in the name and for the account of the Assignee, shall collect such Defaulted Mortgage Claim or, in the event of bankruptcy of the relevant Mortgage Debtor, all Assigned Mortgage Claims of such Mortgage Debtor as would be taken by a reasonably prudent person operating in the Swiss mortgage market and consistent with the Servicer's standard operating procedures to enhance the recovery of all amounts owed under such Assigned Mortgage Claim(s) and with the goal of maximising recoveries and minimising losses.

All taxes, reasonable costs and reasonable expenses arising out of or in connection with the enforcement of Mortgage Assets shall be borne by the Assignee.

### ***Setting of Floating Interest Rates***

Irrespective of the occurrence of a Notification Event, the Assignor is entitled to periodically determine and set and the Servicer shall inform the relevant Mortgage Debtors about the interest rates applicable to Floating Rate Mortgage Claims in accordance with the terms of the relevant Mortgage Credit Agreement and in line with its standards for non-assigned mortgage claims or, in case no such standards are available, in line with prevailing market rates at the time.

### ***Records and Information***

The Assignor shall keep all records and books of account for the Assignee in respect of the Assignee's interest in the Serviced Mortgage Assets. The Assignor undertakes to ensure that at all times all records, books and documents containing data relating to the Serviced Mortgage Assets can be identified and segregated within reasonable time. In addition, the Assignor shall keep and maintain all documents, books, microfiche, computer records and other information reasonably necessary or advisable for the collection of the Assigned Mortgage Claims and necessary to enable any Replacement Servicer to perform its duties under the relevant Replacement Servicer Agreement.

The Assignor shall submit a Cover Pool Report to the Assignee and the Administration Services Provider on each Pre-Event Test Date and to the Asset Monitor on the relevant Test Date in accordance with the Asset Monitor Agreement and submit the overview of the Cover Pool Report to the Trustee prior to the next Cut-off Date.

The Assignor shall provide the Assignee with a monthly report containing all information (as of the immediately preceding Cut-off Date) pursuant to the form of Investor Report attached as an annex to the Security Assignment Agreement on last day of each month (each an **Investor Report**). The Issuer will publish or procure the publication of the Investor Report on its website ([www.ca-nextbank.ch/en/en/investor-relations.html](http://www.ca-nextbank.ch/en/en/investor-relations.html)).

In addition, the Assignor shall provide to the Asset Monitor as soon as reasonably practicable any information on the Cover Pool the Asset Monitor may reasonably request in order to be in a position to duly test the Cover Pool and the arithmetic accuracy of the relevant tests in accordance with the Asset Monitor Agreement.

### ***Termination of the authorisation of the Assignor***

Upon the occurrence of a Servicing Termination Event, the Assignee may at once or at any time thereafter while such Servicing Termination Event is continuing by a termination notice in writing to the Assignor (with a copy to the Trustee) terminate the authorisation of the Assignor pursuant to the Security Assignment Agreement with effect from a date (not earlier than the date of the termination notice) specified in the termination notice.

Following the termination of the authorisation of the Assignor, any rights and powers of the Assignor in connection with the servicing and administration of the Serviced Mortgage Assets shall, unless otherwise instructed by the Assignee, be terminated and be of no further effect. Following the termination of the authorisation of the Assignor, the Assignor has certain obligations, *inter alia*, with respect to the delivery of Customer Data and books and records, cooperation, consultation and assistance to facilitate the appointment of a Replacement Servicer.

Following the termination of the authorisation of the Assignor upon a Servicing Termination Event and following the occurrence of an Issuer Event of Default, the Assignor shall, when the Replacement Servicer deems

it necessary in order to preserve the value of the Serviced Mortgage Assets, continue to cooperate and consult with and assist the Assignee and/or the Replacement Servicer by granting Mortgage Creditors access to amendments of Existing Mortgage Credit Agreements, the principal of which is due to mature, provided, *inter alia*, that no such amendment shall result in an interest rate below the Minimum Mortgage Interest Rate;

**Minimum Mortgage Interest Rate** means an interest rate, which is equal to or exceeds the sum of the Margin and the Reference Rate, where **Margin** means 1.25% and **Reference Rate** means a percentage, never to be less than 0%, which (x) in case of a fixed interest rate, shall be the relevant market swap rate for the applicable mortgage maturity and (y) in case of a floating interest rate, shall be the relevant SARON rate (or any successor rate as agreed between the Replacement Servicer and the Guarantor) rate for a given payment frequency, which shall reset according to such frequency; provided that the Minimum Mortgage Interest Rate shall be subject to change pursuant to the Rating Agency Condition. The Assignor shall be authorised to exercise all rights under and in connection with the Serviced Mortgage Assets vis-à-vis the Mortgage Debtors, the Security Providers and third parties for this purpose, subject to revocation by the Assignee at any time.

The Assignor shall at all times, while it generally grants new mortgage loans, grant to Mortgage Debtors of Mortgage Credit Agreements the Mortgage Claims under which have been assigned to the Assignee the same access to refinancing as it grants to its other clients in order to discharge the principal amount under an existing Mortgage Credit Agreement which is due to mature.

#### ***Appointment of Replacement Servicer***

Upon the occurrence of a Servicer Downgrade Event and upon termination of the authorisation of the Assignor (see "*—Duration and Termination*"), the Assignee shall use reasonable endeavours to promptly appoint a Replacement Servicer that satisfies the conditions set forth in the Security Assignment Agreement (but shall have no liability to any person in the event that, having used reasonable endeavours, it is unable to appoint a Replacement Servicer at terms acceptable to the Assignee).

Upon the appointment of a Replacement Servicer by the Assignee, the Assignor undertakes, *inter alia*, to grant the Replacement Servicer access to information and co-operate with and assist such Replacement Servicer in such a way that it is able to comply with its obligations pursuant to the Replacement Servicer Agreement once the appointment of the Assignor is terminated following a Servicing Termination Event in accordance with the terms of the Security Assignment Agreement.

#### ***Duration and Termination***

The Security Assignment Agreement shall remain in full force and effect until expiry of a period ending 366 days after the date on which all Secured Obligations have been discharged in full and no further Secured Obligations are capable of arising and may not be terminated by any of the Parties prior to that date. The Parties agree that, subject to Applicable Law, the Security Assignment Agreement may not be terminated for any default, reason or circumstance prior to that date. See "*Risk Factors—Risks relating to reliance on certain transaction parties— Under Swiss law, CAnb Switzerland or any other third-party service provider may terminate their contractual relationships at will. Because the Guarantor depends on CAnb Switzerland and other third parties for certain services, any termination with immediate effect may adversely affect the Guarantor's ability to make full and timely payments under the Guarantee.*"

#### ***Governing Law and Jurisdiction***

The Security Assignment Agreement, as well as the assumption of the contractual position, any assignment and reassignment of Mortgage Claims, Ancillary Rights and Mortgage Payments and any transfer or retransfer title or entitlement to Related Mortgage Certificates under or in connection with the Security Assignment Agreement, will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

#### ***Intercreditor Agreement***

Pursuant to the Intercreditor Agreement among the Guarantor, CAnb Switzerland, the Agents, the Account Bank, the Trustee, the Guarantor has appointed the Cash Manager to perform certain cash allocation services on its behalf. The Intercreditor Agreement also sets out the priority in which payments will be made to the Covered Bondholders and the other Relevant Creditors.

#### ***Payments into and from Bank Accounts***

The Guarantor has two main bank accounts: (1) the General Bank Account, broadly where it receives the Guarantee Fee and the proceeds of enforcement of the Cover Pool Assets, and from which it generally makes

payments to its creditors and (2) the Cover Pool Bank Account, where it receives collections from the Cover Pool Assets and makes, in particular, periodic payments with respect to Accumulation Series Covered Bonds and to Swap Providers (if any) (other than Swap Termination Payments). The Guarantor also maintains custody accounts (the **General Custody Account** and the **Cover Pool Custody Account**) where it holds securities, the proceeds of which will be paid into (as applicable) the General Bank Account or the Cover Pool Bank Account.

More specifically, the Guarantor or the Cash Manager on its behalf will procure that the following amounts are credited to the General Bank Account:

- (a) the amount of any Guarantee Fees received by the Guarantor from time to time from the Issuer;
- (b) the proceeds received by the Guarantor under any Pre-funding Obligation and any Recourse and Indemnity Obligation;
- (c) Authorised Investments made from amounts standing to the credit of the General Bank Account and any proceeds thereof (including proceeds received from the disposal of such Authorised Investments), except that such Authorised Investments which are in the form of securities shall be credited to the General Custody Account;
- (d) any other amount directly or indirectly received by the Guarantor (including excess Swap Collateral Available Amounts (if any), but excluding (i) amounts to be paid into the Cover Pool Bank Account in accordance with the Intercreditor Agreement, (ii) amounts to be paid into any Swap Collateral Bank Account or Swap Collateral Custody Account, (iii) Swap Collateral Excluded Amounts and (iv) any Tax Credits); and
- (e) any amounts transferred from the Cover Pool Bank Account to the General Bank Account in accordance with the Intercreditor Agreement.

The Guarantor, or the Cash Manager on its behalf, will procure that the following amounts are credited to the Cover Pool Bank Account:

- (a) subject to the terms of the Security Assignment Agreement, Collected Mortgage Payments and any other amounts received in relation to collection or enforcement of the Cover Pool Assets;
- (b) Authorised Investments made from amounts standing to the credit of the Cover Pool Bank Account and any proceeds thereof (including proceeds received from the disposal of such Authorised Investments); except that such Authorised Investments which are in the form of securities shall be credited to the Cover Pool Custody Account;
- (c) subject to the terms of the Intercreditor Agreement, any Termination Amounts and any excess Premium received from a Swap Provider (if any) or a Replacement Swap Provider (if any);
- (d) any scheduled payments received from a Cover Pool Swap Provider (if any);
- (e) any scheduled payments received from a Covered Bond Swap Provider (if any) (to the extent not paid to the Principal Paying Agent as described below);
- (f) any excess monies received from the Principal Paying Agent following an overpayment to the Principal Paying Agent by a Covered Bond Swap Provider (if any); and
- (g) any amounts received by the Guarantor from the Issuer pursuant to the terms of the Guarantee.

The Guarantor, or the Cash Manager on its behalf, will procure that following the occurrence of an Enforcement Event, any amounts standing to the credit of the Cover Pool Bank Account, except for any amounts standing to the credit of the Interest Accumulation Ledger on the Cover Pool Bank Account, up to the amount of the Secured Obligations then to be discharged are promptly credited to the General Bank Account. However, following the IED Guarantee Activation Date, the Guarantor shall (i) liquidate Assigned Mortgage Claims in an amount up to the Adjusted Required Swap Amount in order to provide liquidity for any amount due to Covered Bond Swap Providers (if any) (pursuant to the Trust Agreement) and (ii) apply amounts standing to the credit of the Cover Pool Bank Account, except for any amounts standing to the credit of the Interest Accumulation Ledger on the Cover Pool Bank Account (which for the avoidance of doubt will be at any time prior to or following an Enforcement Event) in each case to make periodic scheduled payments to the relevant Covered Bond Swap Provider (if any) in accordance with the terms of the relevant Swap Agreement (if any). Following the occurrence of an Enforcement Event, the Covered Bond Swap Provider (if any) will be directed to pay all amounts due and payable by the Covered Bond Swap Provider (if any) under the Covered Bond Swaps directly to the Principal Paying Agent, for onward payment to the relevant Covered Bondholders and the amount of the Secured

Obligations then to be discharged shall be reduced by the amount of any such payment by the Covered Bond Swap Provider (if any) directly to the Principal Paying Agent in accordance with the applicable Priority of Payments.

The Guarantor, or the Cash Manager on its behalf, will procure the return of any monies standing to the credit of the Cover Pool Bank Account to the extent that these represent Mortgage Certificate Excess Enforcement Proceeds or, prior to the Guarantee Activation Date, to the extent that these represent Excess Cover Pool Assets or other amounts due to the Assignor in accordance with the terms of the Security Assignment Agreement.

Moreover, prior to the Guarantee Activation Date (notwithstanding that a Notification Event may have already occurred), after applying monies standing to the credit of the Cover Pool Bank Account to provide for higher ranking amounts in accordance with the Pre-Guarantee Priority of Payments, all remaining monies standing to the credit of the Cover Pool Bank Account, except for any amount standing to the credit of the Interest Accumulation Ledger on the Cover Pool Bank Account, will be paid back to the Assignor on each Test Date, provided that no Breach of Test Notice has been served which is outstanding.

The Guarantor, or the Cash Manager on its behalf, will procure that any Swap Collateral will be credited to or debited from, the Swap Collateral Bank Account or the Swap Collateral Custody Account, as the case may be, in accordance with the relevant Swap Agreement (if any).

### ***Priorities of Payments***

The allocation and distribution of available funds and all other amounts received by the Guarantor is described in the section "*Cash Flows*" below.

### ***Limited Recourse as against the Guarantor***

Pursuant to the terms of the Intercreditor Agreement, the Conditions and the Guarantee (see also Condition 3.3 (*Limited Recourse against the Guarantor*) and Condition 3.4 (*No enforcement against the Guarantor (non-petition)*)) and the terms of each other Transaction Document, each Relevant Creditor (as applicable) agrees that its claims against the Guarantor are limited in amount and that its recourse against the Guarantor is limited solely to seeking declaratory relief without requesting the adjudication of damages or specific performance of the Guarantor's obligations to serve Pre-funding Notices and/or Recourse Notices. There is no guarantee that a court would grant any such relief (the award of specific performance in particular being subject to the court's discretion and generally only given if it determines that other remedies are not available) or that receipt of a declaratory judgment would procure enforcement of the relevant obligation by the Guarantor.

### ***Swap Termination Payments upon the appointment of Swap Providers and the Guarantor entering into Swaps***

Upon the appointment of Swap Providers and the Guarantor entering into Swap Agreements, the following shall apply.

If the Guarantor receives any Termination Amount from a Swap Provider (if any) in respect of a Swap Agreement with such Swap Provider (if any), such Termination Amount will first be used (prior to the GED Guarantee Activation Date) to pay any Premium due to an incoming Replacement Swap Provider (if any) to enter into a similar replacement Swap(s) with the Guarantor, unless replacement Swap(s) have already been entered into on behalf of the Guarantor.

If the Guarantor receives any Premium from a Replacement Swap Provider (if any) in respect of one or more replacement Swaps (if any), such Premium will first be used to pay any Termination Amount due and payable by the Guarantor with respect to the previous Swap Agreement(s) (including any Excluded Swap Termination Amounts), unless such Swap Termination Payment has already been made on behalf of the Guarantor.

If the Guarantor receives any excess Swap Collateral, such excess Swap Collateral will be transferred to the relevant Swap Provider (if any).

Any Termination Amounts or Premiums received by the Guarantor which are not applied to pay Premium or Termination Amounts to an outgoing, or as applicable, incoming Swap Provider (if any) as described above, will be transferred to the Cover Pool Bank Account.

Other than as permitted pursuant to the terms of the relevant Priority of Payments, the Initial Swap Provider (if any) shall only be entitled to receive any Termination Amount to the extent the Guarantor has received payments of Premium from a Replacement Swap Provider (if any). Such amounts received from a Replacement Swap Provider (if any) will be paid to the Initial Swap Provider (if any) outside of the terms of the Priorities of Payments.

Any Tax Credits will be paid to the relevant Swap Provider (if any) directly and not via the Priority of Payments.

### ***Authorised Investments***

The Cash Manager's duties under the Transaction Documents are solely mechanical in nature, except with respect to the Cash Manager's obligation to invest in Authorised Investments.

### ***Remuneration of Cash Manager***

The Guarantor will pay to the Cash Manager for its cash allocation services provided under the Intercreditor Agreement and the Cash Management Agreement a fee pursuant to the Cash Management Agreement.

### ***Liability of Cash Manager***

Save as otherwise provided in the Intercreditor Agreement the Cash Manager will have no liability for the obligations of the Guarantor, the Issuer and/or any other person under any of the other Transaction Documents or otherwise and nothing in the Intercreditor Agreement will constitute a guarantee, indemnity or similar obligation by or of the Cash Manager of or in relation to the obligations of either the Guarantor or the Issuer and/or any other person under the other Transaction Documents.

The Cash Manager will not be liable in respect of any loss, liability, claim, expense or damage suffered or incurred by any person as a result of the proper performance of the services described in the Intercreditor Agreement by the Cash Manager (including, without limitation, the exercise or non-exercise of any discretions conferred upon it under the Intercreditor Agreement) save to the extent that such loss, liability, claim, expense or damage is suffered or incurred as a result of any gross negligence, bad faith or wilful default of the Cash Manager or as a result of a breach by the Cash Manager of the terms and provisions of the Intercreditor Agreement or any of the other Transaction Documents to which the Cash Manager is a party (in its capacity as such) in relation to the performance of such function.

### ***Governing Law and Jurisdiction***

The Intercreditor Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### **Cash Management Agreement**

Pursuant to the terms of the Cash Management Agreement, the Cash Manager will provide certain cash management services (**Cash Management Services**) to the Guarantor.

#### ***Services***

The Cash Manager's services include, but are not limited to:

- (a) maintenance of all approvals, authorisations, consents and licences required in connection with the business of the Guarantor, if any;
- (b) establishing and operating the Guarantor Bank Accounts pursuant to the Master Bank Account Agreement;
- (c) procuring the maintenance of the ledgers on behalf of the Guarantor;
- (d) calculating the funds available for distribution in accordance with the relevant Priority of Payments set out in the Intercreditor Agreement;
- (e) preparation of the Account Bank Report, Investment Manager Report and Payment Report for the Guarantor, the Trustee, the Assignor or the Replacement Servicer (as the case may be) and the Rating Agency;
- (f) at its discretion, investing funds standing to the credit of the Guarantor Bank Accounts in Authorised Investments, provided that such funds are not required for application in accordance with the terms of the Intercreditor Agreement;
- (g) upon becoming aware thereof, delivering notice of the occurrence of any Cash Manager Termination Event, Issuer Event of Default or Guarantor Event of Default;
- (h) acting as calculation and valuation agent and making certain determinations under any Swap Agreement (if any); and
- (i) assisting the Corporate Services Provider to procure compliance by the Guarantor with its obligations under the Transaction Documents (although it shall have no liability to make any

payments on behalf of the Guarantor).

If the Cash Manager elects to make Authorised Investments as described above, it shall not be responsible (save where any loss results from the Cash Manager's own fraud, wilful default or negligence or that of its employees) for any loss occasioned by reason of any such Authorised Investments whether by depreciation in value, fluctuations in exchange rates or otherwise.

As to the manner in which any of the Cash Management Services are to be performed, the Cash Manager will comply with any directions which the Guarantor or, following the earlier of the IED Guarantee Activation Date or an Enforcement Event, but prior to the commencement of Insolvency Proceedings against the Guarantor, the Trustee, may from time to time give to the Cash Manager as to the manner in which any of the Cash Management Services are to be performed. In particular, in relation to the operation of the Guarantor Bank Accounts, the Cash Manager shall comply with the instructions of the Guarantor or, following the earlier of the IED Guarantee Activation Date or an Enforcement Event, but prior to the commencement of Insolvency Proceedings against the Guarantor, the Trustee. In the case of a conflict between the directions of the Guarantor and the Trustee, the directions of the Guarantor shall prevail, provided that the Guarantor is obliged not to give any direction to the Cash Manager that would reasonably likely be adverse to the interests of the Covered Bondholders.

### ***Delegation and Subcontracting of Cash Management Services***

The Cash Manager may sub-contract or delegate the performance of all or any of the Cash Management Services to any party whom it reasonably believes is capable of, and experienced in, performing the functions to be given to it. However, any delegation by the Cash Manager of its obligations (or any of them) under the Cash Management Agreement shall not release or discharge the Cash Manager from any of its obligations under the Cash Management Agreement. Neither the Guarantor nor the Trustee shall have any liability for any costs, charges or expenses payable or incurred by such sub-contractor or delegate or arising from the entering into, the continuance or the termination of any such arrangement.

### ***Costs and Expenses***

The Guarantor shall reimburse the Cash Manager for all out-of-pocket costs, expenses and charges properly incurred in the course of its performance of the cash management services under the Cash Management Agreement.

### ***Termination of Appointment***

Upon the occurrence of a Cash Manager Termination Event, the Guarantor has the right to terminate the appointment of the Cash Manager. The Guarantor shall use its reasonable endeavours to promptly appoint a Replacement Cash Manager (but shall have no liability in the event that it is unable to do so). The termination of the appointment of the Cash Manager will not take effect until a Replacement Cash Manager has been appointed by the Guarantor. Any Replacement Cash Manager shall have substantially the same rights and obligations as the Cash Manager, provided that the Replacement Cash Manager shall in addition prepare Recourse Notices and Pre-funding Notices (other than Guarantee Pre-funding Notices) in accordance with the Guarantee Mandate Agreement when it becomes aware of any respective obligations of the Issuer.

### ***Governing Law and Jurisdiction***

The Cash Management Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with the Cash Management Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be submitted to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### **Corporate Services Agreement**

Pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider has agreed to provide certain corporate administration services to the Guarantor.

#### ***The Corporate Services***

The Corporate Services Provider will provide, *inter alia*, the following corporate administration services to the Guarantor (the **Corporate Services**):

- (a) make available in its offices in Lancy a domicile address and a business address for the operations of the Guarantor and take all necessary steps to register the domicile address in the commercial register and to provide each person which is a party to a Transaction Document and all other relevant contracting parties of the Guarantor with such domicile address and business address;



- (b) provide administrative services for the management of the operations and day-to-day business of the Guarantor as instructed by the Board of Directors;
- (c) accept services of process and any other documents or notices served on the Guarantor and prompt notification of the Board of Directors of any legal proceedings initiated against or involving the Guarantor of which the Corporate Services Provider becomes aware;
- (d) respond to the correspondence received by the Guarantor upon communication thereof with the members of the Board of Directors and shareholders of the Guarantor as necessary;
- (e) assess and review any incoming invoices and other requests for payment and, if found to be justified and correct, give approval to the Cash Manager to effect the relevant payment;
- (f) upon the occurrence of an Issuer Event of Default, independently of any of the other corporate services to be provided:
  - (i) establish and update an overview of all outstanding Covered Bonds and the respective due dates for any and all interest payments and payments of principal;
  - (ii) establish and update an overview of (x) all agreements to which the Guarantor is party, (y) all material undertakings of the Guarantor or owed by third parties to the Guarantor arising from such agreements, and (z) all payment obligations of the Guarantor or owed by third parties to the Guarantor (including, but not limited to, the due dates of such payment obligations);
  - (iii) monitor the fulfilment of the obligations of any third parties obliged to deliver notices pursuant to the Transaction Documents;
  - (v) monitor the fulfilment of the obligations of any third parties obliged to render services to the Guarantor pursuant to the Transaction Documents;
  - (vi) coordinate the interaction between the Guarantor and third parties and the instructions to be given by the Guarantor to third parties according to the Transaction Documents; and
  - (vii) furnish all relevant information in order to enable the Board of Directors to diligently render its decisions on a timely basis;
- (g) at the request of the Board of Directors, prepare and forward to the shareholders of the Guarantor all reports, statements and notices which the Board of Directors is required to issue, send or serve in accordance with Applicable law and the Articles of Incorporation of the Guarantor;
- (h) prepare and file, or cause the preparation and filing of, all reports, statutory forms and other documents which the Guarantor is required to prepare and file by Applicable Law;
- (i) prepare and maintain in accordance with Swiss GAAP all reasonable and necessary books, ledgers and records as may be required;
- (j) upon instruction of the Cash Manager, open and maintain in the books of the Guarantor the ledgers provided in the Cash Management Agreement;
- (k) take all reasonable steps to ensure that it receives a monthly bank statement from the Account Bank in relation to each of the Guarantor Bank Accounts and the Guarantor Share Capital Bank Account;
- (l) ensure the preparation of the annual financial statements of the Guarantor within 160 days after the end of the relevant fiscal year;
- (m) inform and report to the Board of Directors quarterly on the financial situation of the Guarantor and prepare (i) any financial statement as of the end of the preceding month as any member of the Board of Directors may reasonably require or (ii) in urgent cases and exceptional circumstances an intra-month financial statement;
- (n) provide the Board of Directors with such information and regular reports as required by Applicable Law or as reasonably requested by any member of the Board of Directors;
- (o) nominate a person willing to serve in the capacity of secretary of the Board of Directors without fee or remuneration from the Guarantor;
- (p) prepare and file tax declarations for and on behalf of the Guarantor and maintain all tax records;
- (q) keep the register of the shareholders and beneficial owners of the Guarantor and issue share certificates each time as instructed by the Board of Directors;
- (r) assist the Board of Directors in organising and convening the meetings of the shareholders of the

Guarantor and the meetings of the Board of Directors and preparing any requisite documents and providing facilities for holding such meetings and keeping minutes of such meetings;

- (s) provide to the auditors of the Guarantor such information in connection with the Guarantor as may be in the possession of the Corporate Services Provider which is necessary for the performance of the auditors' duties;
- (t) if and to the extent required under the terms of any Transaction Document, deliver to any person entitled to it such information or documents which are provided for in the Transaction Documents and are in the possession of the Corporate Services Provider or reasonably obtainable by it;
- (u) upon request by the Board of Directors, give any directions to any providers of services or other agents appointed by the Guarantor; and
- (v) provide such other administrative services as may be required by the Guarantor from time to time and agreed by the Corporate Services Provider and the Guarantor.

The Corporate Services Provider will not be required to carry out any duties which have been delegated specifically to other persons pursuant to the Transaction Documents. Unless otherwise provided in the Corporate Services Agreement, the Corporate Services Provider may not, without the prior written consent of the Guarantor, delegate any of its obligations to any third party.

### ***Fees***

The Corporate Services Provider will be entitled to receive from the Guarantor an annual fee as agreed between the parties in a separate fee letter, due and payable on the last Guarantor Payment Date of each calendar year, which fee shall be paid in accordance with the provisions of the Intercreditor Agreement.

### ***Termination***

The Guarantor may terminate the appointment of the Corporate Services Provider in certain circumstances, such as, *inter alia*, a breach of a material obligation which is not remedied, insolvency of the Corporate Services Provider and a downgrade in the Corporate Services Provider's Fitch Long-Term Issuer Default Rating below 'BBB-'.

The Corporate Services Provider may terminate the Corporate Services Agreement by not less than six months' prior written notice to the Guarantor with a copy to the Trustee. Such termination shall take effect on the date of expiry of the notice or such longer period as the parties may agree.

### ***Governing Law and Jurisdiction***

The Corporate Services Agreement will be governed by and construed in accordance with the substantive laws of Switzerland, and any dispute, controversy or claim arising under, out of or in connection with the Corporate Services Agreement, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### ***Asset Monitor Agreement***

Pursuant to the terms of the Asset Monitor Agreement, the Asset Monitor will carry out various testing and notification duties in relation to the calculations performed by the Assignor or the Replacement Servicer, as applicable, in relation to the Asset Coverage Test, the Interest Coverage Test and the Amortisation Test.

### ***Services***

The Asset Monitor has agreed, subject to receipt by it of the information to be provided by the Assignor or the Replacement Servicer, as applicable, to conduct tests in respect of the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, prior to the occurrence of an Issuer Event of Default, on the first Issue Date and the Pre-Event Test Date immediately prior to each anniversary of the Programme Closing Date with a view to confirmation of compliance with each Pre-Event Test on the First Issue Date or on that Pre-Event Test Date. If and for so long as (i) the Assignor's (or the Replacement Servicer's) Fitch Long-Term Issuer Default Rating or (ii) the Fitch Long-Term Issuer Default Rating of the Issuer is below 'BBB-' or following the service of a Breach of Test Notice (which has not been revoked), the Asset Monitor will, subject to receipt of the relevant information from the Assignor or the Replacement Servicer, as applicable, be required to conduct such tests on each Pre-Event Test Date. Following the occurrence of an Issuer Event of Default which is continuing and service of an Issuer Default Notice on the Issuer (but prior to a Guarantor Event of Default and service of a Guarantor Acceleration Notice on the Guarantor), the Asset Monitor will also be required to test the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, on its behalf, in respect of the Amortisation Test. As of the Pre-Event Test Date immediately preceding each

anniversary of the Programme Closing Date, the Asset Monitor shall perform certain Agreed Upon Procedures pursuant to a separate Engagement Letter.

Following a determination by the Asset Monitor of any errors in the arithmetical accuracy of the calculations performed by the Assignor or the Replacement Servicer, as applicable, such that the Asset Coverage Test, Interest Coverage Test or the Amortisation Test has been failed on the applicable Test Date (where the Assignor or the Replacement Servicer, as applicable, had recorded it as being satisfied) or the Adjusted Aggregate Relevant Mortgage Loan Amount or the Amortisation Test Aggregate Relevant Mortgage Loan Amount is misstated by an amount exceeding one per cent. of the Adjusted Aggregate Relevant Mortgage Loan Amount or the Amortisation Test Aggregate Relevant Mortgage Loan Amount, as applicable (as at the date of the relevant Asset Coverage Test or the relevant Amortisation Test), the Asset Monitor will be required to conduct such tests on each subsequent Test Date for a period of six months thereafter.

The Asset Monitor is entitled, provided that it has received all required information and in the absence of manifest error, to assume that all information provided to it by the Assignor or the Replacement Servicer, as applicable, for the purpose of conducting such tests is true and correct and is complete and not misleading, and is not required to conduct an audit or other similar examination in respect of, or otherwise take steps to verify the accuracy or completeness of, any such information.

Each Asset Monitor Report and any advice that the Asset Monitor provides to the Assignor or the Replacement Servicer, the Issuer, the Guarantor, the Rating Agency and the Trustee (in each case, in their respective capacities and collectively referred to as the **Asset Monitor Report Recipients**) in connection with the Asset Monitor Agreement is for the exclusive use of the Asset Monitor Report Recipients (in each case, in their respective capacities) in the context of the Programme and should not be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any person other than the Asset Monitor Report Recipients, without the Asset Monitor's prior written express consent. Save as expressly provided by the Asset Monitor Agreement, no person other than the Asset Monitor Report Recipients may rely on the Asset Monitor Report, or any advice and/or information derived therefrom. The Asset Monitor has no responsibility or liability to any other party who is shown or gains access to any Asset Monitor Report or advice.

### ***Fees***

The Guarantor shall pay to the Asset Monitor for its services pursuant to the Asset Monitor Agreement a fee (the **Asset Monitor Fee**) (exclusive of VAT and reasonable expenses) as set out in a separate fee letter for each time that the Asset Monitor is required to perform the tests set out in the Asset Monitor Agreement (such amount to be reviewed annually). The Asset Monitor Fee shall be payable half-yearly on a Guarantor Payment Date falling in the months of January and July and subject to the applicable Priority of Payments.

### ***Termination and Resignation***

The Guarantor and the Issuer may jointly, at any time, but subject to the prior written consent of the Trustee, terminate the appointment of the Asset Monitor under the Asset Monitor Agreement upon providing the Asset Monitor with 60 days' prior written notice, provided that such termination may not be effected unless and until a replacement has been found by the Guarantor and the Issuer (such replacement to be approved by the Trustee, such approval to be given if the replacement is an accountancy firm of national standing) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Agreement.

The Asset Monitor may, at any time, resign by giving at least 60 days' prior written notice to the Guarantor, the Issuer and the Trustee (and notified by the Guarantor to the Rating Agency).

Upon the Asset Monitor giving notice of resignation, the Guarantor and the Issuer shall immediately use all reasonable endeavours to appoint a substitute asset monitor to provide the services set out in the Asset Monitor Agreement (such replacement to be approved by the Trustee, such approval to be given if the replacement is an accountancy firm of national standing). If a substitute asset monitor is not appointed by the date which is 30 days prior to the date when tests are to be carried out in accordance with the terms of the Asset Monitor Agreement, then the Guarantor and the Issuer shall use all reasonable endeavours to appoint an accountancy firm of national standing to carry out the relevant tests on a one-off basis, provided that such appointment is approved by the Trustee.

The Trustee will not be obliged to act as Asset Monitor in any circumstances.

### ***Governing Law and Jurisdiction***

The Asset Monitor Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance,

breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### **Agency Agreement**

Pursuant to the Agency Agreement among the Issuer, the Guarantor, the Principal Paying Agent and the Trustee, each of the Issuer and the Guarantor has appointed the Principal Paying Agent as its agent for the purpose, *inter alia*, of making payments at its specified office in respect of the Covered Bonds and the Guarantee (if applicable), and for performing such other duties as are reasonably incidental thereto as may be requested by the Issuer or the Trustee. The Agency Agreement outlines the duties of each of the above.

#### ***Payments under the Guarantee***

Pursuant to the terms of the Guarantee, the Bondholders' Representative, acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders, has instructed the Guarantor to pay (or to procure the payment of), and the Guarantor has expressly and irrevocably agreed to pay (or to procure the payment of), all sums payable under the Guarantee, subject always to clause 5 (*Extended Due for Payment Date*) of the Guarantee and the applicable Priority of Payments, solely and exclusively to the Principal Paying Agent for distribution to the relevant Covered Bondholders in accordance with the Conditions and the Agency Agreement (*assignation*) and pursuant to the Agency Agreement, the Principal Paying Agent agrees to so receive and distribute any such payments.

#### ***Payments by Principal Paying Agent***

The Issuer (or the Guarantor pursuant to the Guarantee if applicable) will, in case of payment in Swiss Francs, before 10.00 a.m. Geneva time on each date on which any payment in respect of any of the Covered Bonds becomes due and payable under the Conditions, transfer to an account specified by the Principal Paying Agent such amount in the relevant currency, in immediately available, freely transferrable cleared funds, as shall be sufficient for the purposes of the payment in funds settled through SIS or such payment system as the Principal Paying Agent and the Issuer or, failing the Issuer, the Guarantor may agree. In turn, the Principal Paying Agent shall pay or cause to be paid on behalf of the Issuer and/or the Guarantor all amounts due in respect of the Covered Bonds under the Conditions or the Guarantee, as applicable. Unless and until the full amount of any such payments has been made to the Principal Paying Agent, no Paying Agent shall be bound to make such payments.

#### ***Termination of Appointments***

The Principal Paying Agent may (subject to applicable law and the paragraphs below) at any time resign by giving at least 90 days' written notice to the Issuer, the Guarantor, the Trustee and the Bondholders' Representative specifying the date on which its resignation shall become effective.

The Principal Paying Agent may (subject to the paragraphs below) be removed at any time by the Issuer and the Guarantor with the prior written approval of the Trustee and the Bondholders' Representative by notice in writing from the Issuer and the Guarantor specifying the date when the removal shall become effective.

The Issuer and the Guarantor may, with the prior written approval of the Trustee and the Bondholders' Representative, terminate the appointment of any of the Agents (other than the Principal Paying Agent) at any time and/or appoint one or more further or other Agents by giving to the Principal Paying Agent and to the relevant other Agent at least 45 days' notice in writing to that effect (other than in the case of insolvency).

Except as described above, all or any of the Agents (other than the Principal Paying Agent) may resign their respective appointments under the Agency Agreement at any time by giving the Issuer, the Guarantor, the Trustee, the Bondholders' Representative and the Principal Paying Agent at least 45 days' written notice to that effect. However, subject to Applicable Law, the termination of the appointment of the Principal Paying Agent (whether by the Issuer and the Guarantor or by the resignation of the Principal Paying Agent) shall only take effect upon the appointment by the Issuer and the Guarantor of a successor Principal Paying Agent approved in writing by the Trustee and the Bondholders' Representative and (other than in cases of insolvency of the Principal Paying Agent) on the expiry of the notice given under the Agency Agreement. If on the day falling 10 days before the expiry of the notice of resignation or removal, the Issuer and the Guarantor have not appointed a successor Principal Paying Agent approved in writing by the Trustee and the Bondholders' Representative, the Principal Paying Agent will be entitled, on behalf of the Issuer and the Guarantor, to appoint as a successor a reputable financial institution of good standing which the Issuer, the Guarantor, the Trustee and the Bondholders' Representative shall approve.

#### ***Commissions and Expenses***

The Issuer or, failing the Issuer, the Guarantor shall pay to each Agent such commissions, fees and expenses in respect of their respective services as shall be agreed between the Issuer and the respective Agent. All reasonable out-of-pocket expenses incurred by the Agents in connection with their services, will also be paid.

### ***Governing Law and Jurisdiction***

The Agency Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### **Master Bank Account Agreement**

All Guarantor Bank Accounts and the Guarantor Share Capital Bank Account shall be governed by the Master Bank Account Agreement.

### ***Account Agreements***

The Account Bank confirms that all Guarantor Bank Accounts and the Guarantor Share Capital Bank Account have been established. The Master Bank Account Agreement shall override any conflicting provisions of any account agreement including any terms and conditions relating to a Guarantor Bank Account or the Guarantor Share Capital Bank Account and the parties agree that certain clauses of the related terms and conditions shall not apply.

### ***Instructions from Cash Manager***

The Account Bank shall comply with any payment instruction given in relation to a Guarantor Bank Account provided that such instruction (i) is given by the Guarantor or any Authorised Signatory, (ii) is given on a Business Day to effect a payment by debiting the relevant Guarantor Bank Account (iii) is in writing, or is given via the Account Bank's online banking system and (iv) is made in compliance with the relevant account agreement. However, amounts may only be withdrawn from any Guarantor Bank Account or the Guarantor Share Capital Bank Account to the extent that such withdrawal does not cause the relevant account to have a negative balance.

The Account Bank is not under any obligation to enquire as to the purpose of any direction given by any Authorised Signatory.

### ***Account Statements***

As soon as reasonably practicable after receipt of a request from the Guarantor or from the Cash Manager or any other person designated by the Guarantor to make such requests, the Account Bank shall provide each of the Cash Manager, the Guarantor or any other person designated by the Guarantor with a written statement in respect of each Guarantor Bank Account and the Guarantor Share Capital Bank Account.

### ***Interest***

Any Guarantor Bank Account and the Guarantor Share Capital Bank Account shall bear interest, or interest shall become payable, as the case may be, at the same rates as are generally applicable to similar accounts maintained by the Account Bank for business customers. The Guarantor instructs the Account Bank to credit all interest accrued or accruing on the Guarantor Share Capital Bank Account to the General Bank Account. Any interest payable on any Guarantor Bank Account or the Guarantor Share Capital Bank Account shall be paid by the Guarantor to the Account Bank as indicated by the Account Bank.

### ***Security Interest and Set-off***

The Account Bank unconditionally and irrevocably waives any and all Security Interest in relation to all Guarantor Bank Accounts, the Guarantor Share Capital Bank Account and any other account and custody accounts held in the name of the Guarantor and any asset held therein. The Account Bank agrees that it will not set-off or purport to set-off any amount which the Guarantor is or will become required to pay to it against any amount which it is or will become required to pay to the Guarantor. The Guarantor shall at all times be entitled to set off any of its claims against the Account Bank against any and all claims that the Account Bank may have against the Guarantor.

### ***Account Bank Downgrade Event***

Upon the occurrence of the Account Bank Downgrade Event, the Guarantor may within 60 calendar days, either: (i) transfer amounts standing to the credit of, and any other assets held in, the Guarantor Bank Accounts and the Guarantor Share Capital Bank Account to accounts to be established by the Guarantor with a replacement account bank having a rating at least equal to the applicable Minimum Account Bank Rating under a master bank account agreement with terms substantially similar to the terms of the Master Bank Account Agreement and

acceptable to the Guarantor and the Cash Manager, or (ii) obtain a guarantee in respect of the Guarantor Bank Accounts and the Guarantor Share Capital Bank Account from a financial institution having a rating at least equal to the applicable Minimum Account Bank Rating, or (iii) take any alternative remedial action, provided that the Rating Agency has confirmed that the then current ratings of the Covered Bonds issued under the Programme would not be reduced, qualified or withdrawn as a result of such alternative remedial action.

### ***Termination and Resignation***

The Master Bank Account Agreement shall remain in full force and effect until expiry of a period ending 366 days after the date on which all Secured Obligations have been discharged in full and no further Secured Obligations are capable of arising and may, subject to certain exceptions, not be terminated by any of the parties to the Master Bank Account Agreement prior to that date.

Subject to compliance with certain conditions, including but not limited to the prior consent of the Guarantor and the appointment of a replacement account bank which meets certain criteria, the Account Bank may terminate the Master Bank Account Agreement upon the expiry of not less than 3 months' prior notice of termination given to the Cash Manager and the Guarantor with a copy to the Trustee.

### ***Governing Law and Jurisdiction***

The Master Bank Account Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the ordinary courts of the Republic and Canton of Geneva, Switzerland.

### ***Collateral Holding Agreement***

Pursuant to the terms of the Collateral Holding Agreement, the Collateral Holding Agent agrees to act as collateral holding agent on behalf of the Guarantor.

### ***Custody of Transferred Mortgage Certificates***

The Cover Pool Assets to be provided by the Originator to the Guarantor as collateral under the Security Assignment Agreement shall comprise, inter alia, (i) eligible Mortgage Claims which shall be transferred to the Guarantor by way of a security assignment and (ii) the related Mortgage Certificates, the Entitlements to which shall be transferred to the Guarantor with a view to continuously secure the Assigned Mortgage Claims.

The Collateral Holding Agent is appointed as fiduciary (*gestionnaire fiduciaire de la cédule*) in respect of the Related Paperless Mortgage Certificates and as depository (*dépositaire*) in respect of the Related Physical Mortgage Certificates. The Assignor, in its capacity as Collateral Holding Agent, shall remain registered with the Relevant Land Register(s) as the creditor of the Related Paperless Mortgage Certificates on behalf of the Originator or the Guarantor, respectively. In addition, the Collateral Holding Agent will hold the Related Physical Mortgage Certificate in its Vault in direct derivative possession (*possession dérivée immédiate*) exclusively for the Guarantor pursuant to article 472 CO, which will be indirect original possessor (*possesseur originaire médiate*) and owner of title (*propriétaire*), book the relevant Transferred Physical Mortgage Certificates into the Guarantor Physical MC Custody Account and notify the Guarantor by way of an updated account statement and a list of all Transferred Physical Mortgage Certificates booked into the Guarantor Physical MC Custody Account.

### ***Transfer and Custody of Transferred Paperless Mortgage Certificates***

In order to effect the transfer of Fiduciary Entitlement in Related Paperless Mortgage Certificates, the Assignor, in its capacity as Collateral Holding Agent, shall hold the Related Paperless Mortgage Certificates henceforth on behalf of the Guarantor. Upon receipt by the Collateral Holding Agent of a duly signed Transfer Deed or a physical or electronic copy thereof (with an original to follow), pursuant to which Fiduciary Entitlement to the Paperless Mortgage Certificates so specified shall be transferred to the Guarantor:

- (a) custody and administration of the relevant Transferred Paperless Mortgage Certificates shall be exclusively governed by the Collateral Holding Agreement ; and
- (b) the Collateral Holding Agent shall, as from the relevant Transfer Date, (i) hold and administer the relevant Transferred Paperless Mortgage Certificates specified in the relevant Transfer Deed exclusively as fiduciary on behalf and for the account and to the exclusive order of the Guarantor in accordance with the Collateral Holding Agreement , (ii) book the relevant Transferred Paperless Mortgage Certificates into the Guarantor Paperless MC Custody Account, (iii) notify the Guarantor by way of an updated account statement and a list of all Transferred Paperless Mortgage Certificates booked to the Guarantor MC Custody Account, (iv) clearly identify the Transferred Paperless Mortgage Certificates in all of its relevant books and records in accordance with the Collateral

Holding Agreement, reflecting that such Transferred Paperless Mortgage Certificates are deposited assets (*valeurs déposées*) pursuant to articles 16 and 37d FBA, (v) administer the relevant Transferred Paperless Mortgage Certificates for the Guarantor, and (vi) only release the relevant Transferred Paperless Mortgage Certificates as provided for in the Collateral Holding Agreement.

### ***Transfer and Custody of Transferred Physical Mortgage Certificates***

In order to effect the transfer of Entitlement in Related Physical Mortgage Certificates, the Assignor, in its capacity as Collateral Holding Agent, shall hold the Related Physical Mortgage Certificates henceforth on behalf of the Guarantor in a separate Vault at the Collateral Holding Agent's premises. Upon receipt by the Collateral Holding Agent of a duly signed Transfer Deed or a physical or electronic copy thereof (with an original to follow), pursuant to which Entitlement to the Physical Mortgage Certificates so specified shall be transferred to the Guarantor:

- (a) custody and administration of the relevant Transferred Physical Mortgage Certificates shall be exclusively governed by the Collateral Holding Agreement ; and
- (b) the Collateral Holding Agent shall, as from the relevant Transfer Date, (i) hold and administer the relevant Transferred Physical Mortgage Certificates specified in the relevant Transfer Deed as depository (*dépositaire*) in custody and safekeeping exclusively for the account and exclusive order of the Guarantor pursuant to article 472 CO and in accordance with the Collateral Holding Agreement, (ii) book the relevant Transferred Physical Mortgage Certificates into the Guarantor MC Custody Account, (iii) notify the Guarantor by way of an updated account statement and a list of all Transferred Physical Mortgage Certificates booked to the Guarantor Physical MC Custody Account, (iv) clearly identify the Transferred Physical Mortgage Certificates in all of its relevant books and records in accordance with the Collateral Holding Agreement, reflecting that such Transferred Physical Mortgage Certificates are deposited assets (*valeurs déposées*) pursuant to articles 16 and 37d FBA, (v) administer the relevant Transferred Physical Mortgage Certificates for the Guarantor, and (vi) only release the relevant Transferred Physical Mortgage Certificates as provided for in the Collateral Holding Agreement.

### ***Waiver of Security Rights***

The Collateral Holding Agent waives with effect *erga omnes (stipulation pour autrui parfaite)* to the fullest extent legally permissible all statutory and contractual, current and future pledges, liens, encumbrances, retention rights (*droits de rétention*), rights to refuse performance (*droits de refuser la prestation*) and similar rights, whether these are obligatory rights or rights *in rem*, in relation to (i) the Transferred Mortgage Certificates, (ii) the Guarantor Custody Accounts, (iii) certain confidential customer details relating to such Transferred Mortgage Certificates and/or (iv) any other asset which the Collateral Holding Agent may receive on behalf of the Guarantor.

### ***Release of Transferred Mortgage Certificates***

The Collateral Holding Agent shall only release the Transferred Mortgage Certificates: (i) upon specific written instruction by the Guarantor, or (ii) upon the occurrence of a release event in connection with the substitution or replenishment of Cover Pool Assets, the retransfer of excess Cover Pool Assets or the discharge of Mortgage Certificates following repayment of the related Mortgage Claims. In addition, upon termination of the Collateral Holding Agreement, the Collateral Holding Agent shall release and transfer the Transferred Mortgage Certificates as instructed by the Guarantor in writing.

### ***Records and Reporting***

The Collateral Holding Agent shall make available upon request by the Guarantor on an item-by-item basis the following up-to-date data:

- (a) a copy of each Transferred Mortgage Certificate;
- (b) the face value of each Transferred Mortgage Certificate;
- (c) the place where each Transferred Physical Mortgage Certificate is stored;
- (d) the date of the Transfer Deed pursuant to which Entitlement to a Transferred Mortgage Certificate has been transferred to the Guarantor;
- (e) the date on which a Transferred Mortgage Certificate has been released, if at all; and
- (f) if released, the person to whom the Transferred Mortgage Certificate has been released and the reason for any such release.

In addition, the Collateral Holding Agent shall deliver to the Guarantor, the Originator and the Servicer after receipt of an electronic file of transferred Mortgage Assets, an error report and a balance sheet containing

detailed information with regard to the Mortgage Certificates and the Transferred Mortgage Certificates as per the relevant Transfer Date.

### ***Termination, Registration, Resignation and Transfer***

Upon the occurrence of certain events set out in the Collateral Holding Agreement (including but not limited to certain change of control events with respect to the Collateral Holding Agent, non-performance of material obligations by the Collateral Holding Agent, material breaches of material representations and warranties by the Collateral Holding Agent or other events that would have a material adverse effect on the Collateral Holding Agent's ability to perform its functions, duties and obligations under the Collateral Holding Agreement) the Guarantor may immediately or at any time thereafter while such default or event is continuing by termination notice in writing to the Collateral Holding Agent (with a copy to the Trustee) terminate the Collateral Holding Agreement with effect from a date (not earlier than the date of the notice) specified in the notice. The termination shall not take effect before a Replacement Collateral Holding Agent has been appointed and has accepted such appointment, provided that unless and until a Replacement Collateral Holding Agent is appointed which meets certain criteria, then the Guarantor shall be allowed to appoint a third party (other than CANb Switzerland or any of its affiliates, representatives or employees) to perform the duties of a collateral holding agent. The Guarantor shall, nonetheless, continue to search for a Replacement Collateral Holding Agent.

Upon the occurrence of a Registration Event such as, subject to all Independent Directors waiving the occurrence of such event, (i) the Collateral Holding Agent failing to maintain status as a licensed bank under the FBA or a duly licensed central securities depository or similar institution regulated by the Financial Market Infrastructure Act or (ii) the occurrence of an Insolvency Event in relation to the Collateral Holding Agent, the Collateral Holding Agreement shall be automatically terminated with immediate effect.

Subject to compliance with certain conditions, including but not limited to the prior appointment of a Replacement Collateral Holding Agent, which meets certain criteria by the Guarantor, the Collateral Holding Agent may terminate the Collateral Holding Agreement upon the expiry of not less than 12 months' notice of termination given by the Collateral Holding Agent to the Guarantor, the Originator (with a copy to the Trustee) without providing any reason therefore.

### ***Transfer of Mortgage Certificates to SIX SIS AG or another Eligible Nominee System Provider (outsourcing)***

CANb Switzerland may outsource to SIX SIS AG or another Eligible Nominee System Provider the management and custody of its Mortgage Certificates. In the event that CANb decides to so outsource management and custody of its Mortgage Certificates, the Guarantor shall, to facilitate transfers of Mortgage Certificates, also outsource the management of the Transferred Mortgage Certificate to SIX SIS AG or such other Eligible Nominee System Provider.

Therefore, pursuant to the Collateral Holding Agreement, the Guarantor shall agree to such outsourcing of the Transferred Mortgage Certificates and shall, amongst others, enter into such standard documentation as required by SIX SIS AG or such other Eligible Nominee System Provider and consent to any required amendments, restatements, supplements or replacements of the Collateral Holding Agreement as well as the Transfer of the Physical Mortgage Certificates into the vault of SIX SIS AG and/or the registration of SIX SIS AG or such other Eligible Nominee System Provider in the Relevant Land Register as creditor as fiduciary of the Guarantor as described in more detail below for SIX SIS AG as Nominee System Provider.

Furthermore, pursuant to the Security Assignment Agreement, the Assignor, the Assignee, the Trustee (in accordance with clause 15 of the Trust Agreement) and each other Party undertake to agree to such outsourcing of the Transferred Mortgage Certificates and shall, amongst others, enter into such standard documentation as required by SIX SIS AG or such other Eligible Nominee System Provider and consent to any required amendments, restatements, supplements or replacements of the Security Assignment Agreement.

If CANb Switzerland outsources the custody and management of Mortgage Certificates to SIX SIS AG, CANb Switzerland and the Guarantor will each enter into a (i) Nominee Participant Agreement substantially in the form of the standard Nominee Participant Agreement (*Teilnehmervertrag betreffend die treuhänderische Verwaltung von Register-Schuldbriefen*) used by SIX SIS AG, a (ii) Paperless MC Custody Agreement substantially in the form of the standard Paperless MC Custody Agreement (*Depotvertrag betreffend treuhänderisch verwaltete Register-Schuldbriefe*) used by SIX SIS AG, (iii) a standard Physical MC Custody Agreement used by SIX SIS AG and (iii) SIX SIS AG as Collateral Holding Agent will become a party to the Collateral Holding Agreement, which will be amended and restated accordingly.

In addition, (i) any Transferred Physical Mortgage Certificates held by the Guarantor will be transferred to the vault of SIX SIS AG and SIX SIS AG as Collateral Holding Agreement will hold such Transferred Physical Mortgage Certificates in direct derivative possession (*possession dérivée immédiate*) exclusively for the Guarantor as owner of title (*propriété*) and indirect original possessor (*possession originaire médiate*) and book the Transferred Physical Mortgage Certificates into the Guarantor's physical mortgage certificate custody account with



SIX SIS AG and (ii) for Transferred Paperless Mortgage Certificates SIX SIS AG in its capacity as Nominee System Provider will be registered in the Relevant Land Register as the creditor of the Transferred Mortgage Certificates on behalf of the Guarantor, book the Transferred Paperless Mortgage Certificates into the Guarantor's paperless mortgage certificate custody account with SIX SIS AG and SIX SIS AG as Collateral Holding Agent will hold the Transferred Paperless Mortgage Certificates as fiduciary (*gestionnaire fiduciaire de la cédule*) for the Guarantor and (iii) the Security Assignment Agreement will be updated to allow transfer of Entitlements to Mortgage Certificates through the SIX SIS AG system.

Once the Transferred Mortgage Certificates of the Guarantor and Mortgage Certificates of CAnb Switzerland have been transferred to SIX SIS AG, (i) transfers of Entitlements to Related Physical Mortgage Certificates shall be effected by signing of a Transfer Deed pursuant to the Security Assignment Agreement pursuant to which the Assignor passes title to the Physical Mortgage Certificate specified therein to the Assignee as per the Transfer Date and instructs SIX SIS AG as Collateral Holding Agent to hold possession of the Physical Bearer Certificate specified therein as per the Transfer Date for the Assignee (article 924 CC) (and a valid endorsement in the name of the Assignee for Physical Registered Mortgage Certificates), and (ii) transfers of Fiduciary Entitlements to Related Paperless Mortgage Certificates shall be effected by way of execution of the Transfer Deed, in which the Assignor shall instruct SIX SIS AG as Nominee System Provider to hold the Related Paperless Mortgage Certificates specified therein as fiduciary of the Assignee as from the respective Transfer Date and SIX SIS AG shall irrevocably accept such instruction by booking the Related Mortgage Certificates into the paperless mortgage certificate custody account of the Guarantor.

### ***Governing law and jurisdiction***

The Collateral Holding Agreement will be governed by and construed in accordance with the substantive laws of Switzerland. Any dispute, controversy or claim arising under, out of or in connection therewith, including, without limitation, disputes, claims or controversies regarding its existence, validity, interpretation, performance, breach or termination, shall be subject to the exclusive jurisdiction of the courts of the Republic and Canton of Geneva, Switzerland.

## CREDIT STRUCTURE

The Covered Bonds will be direct, unsubordinated, unsecured and unconditional obligations of the Issuer which shall have the benefit of the Guarantee. The obligations of the Guarantor under the Guarantee will be direct, unsecured, unsubordinated and (following the Guarantee Activation Date and subject to the service of a Notice to Pay for the relevant amount on the Guarantor) unconditional. The Guarantor has no obligation to pay any Guaranteed Amounts under the Guarantee until the Guarantee Activation Date and the service of the relevant Notice to Pay for the relevant amount on the Guarantor.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

- (a) the Guarantee provides credit support for the Issuer's payment obligations under the Covered Bonds;
- (b) in certain circumstances (as set forth below) prior to the occurrence of a Notification Event, Collected Mortgage Payments shall be transferred by the Assignor to the Guarantor and credited to the Cover Pool Bank Account in accordance with the provisions of the Intercreditor Agreement and the Security Assignment Agreement;
- (c) the maintenance of a Liquidity Reserve Fund if a Liquidity Reserve Trigger Event occurs and is continuing provides liquidity for some expenses and interest payments;
- (d) the Asset Coverage Test is intended to test the asset coverage of the Cover Pool Assets in respect of outstanding Covered Bonds prior to an Issuer Event of Default;
- (e) the Interest Coverage Test is intended to test the interest coverage of the Cover Pool Assets in respect of outstanding Covered Bonds prior to an Issuer Event of Default; and
- (f) the Amortisation Test is intended to test the asset coverage of the Cover Pool Assets in respect of outstanding Covered Bonds following an Issuer Event of Default.

These factors are considered more fully in the remainder of this section.

### Guarantee

Under the terms of the Guarantee Mandate Agreement, the Issuer will instruct the Guarantor to issue in the Guarantor's own name but on the account of the Issuer, the Guarantee to the Bondholders' Representative acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders. Subject to the security assignment of sufficient Cover Pool Assets by the Originator allowing the Guarantor to meet each Pre-Event Test after the issuance of each new Series or Tranche of Covered Bonds and the fulfilment of certain other conditions, the Guarantee is intended to cover Guaranteed Amounts falling due on each Series of Covered Bonds from time to time.

The Guarantee Mandate Agreement further provides for a Guarantee Pre-funding Obligation, a Swap Termination Payment Pre-funding Obligation (if any) and a General Recourse and Indemnity Pre-funding Obligation of the Issuer, as well as corresponding Recourse Claims of the Guarantor. Furthermore, the Security Assignment Agreement provides for an Increased Services Provider Expenses Pre-funding Obligation of the Issuer as well as corresponding Recourse Claims of the Guarantor. See "*Overview of the Principal Transaction Documents—Guarantee Mandate Agreement*" and "*Overview of the Principal Transaction Documents—Security Assignment Agreement*".

Under the terms of the Guarantee, the Guarantor has provided a guarantee pursuant to art. 111 CO as to payments of Guaranteed Amounts corresponding to principal and interest under the Covered Bonds. Subject to the limited recourse provisions as against the Guarantor as described in this Base Prospectus and further subject to a Guarantee Extension, the Guarantor has agreed to pay amounts equal to the Guaranteed Amounts payable on the Covered Bonds as and when the same shall become Due for Payment but which would otherwise be unpaid by the Issuer, following the service of a Notice to Pay on the Guarantor after the occurrence of a IED Guarantee Activation Date. See "*The Guarantee*" and "*Cash Flows — Guarantee Priority of Payments*".

### Liquidity Reserve Fund

Prior to the occurrence of a Notification Event and for so long as a Liquidity Reserve Trigger Event has occurred and is continuing, the Assignor will, pursuant to the Security Assignment Agreement, be required to transfer Collected Mortgage Payments in sufficient amounts to fund the Liquidity Reserve Fund Ledger of the Cover Pool Bank Account up to the Liquidity Reserve Fund Required Amount within five Business Days of receipt or set-off the same.

For so long as a Liquidity Reserve Trigger Event is continuing, amounts standing to the credit of the Liquidity Reserve Fund Ledger shall form part of the Cover Pool Assets.

Should the Liquidity Reserve Trigger Event cease to exist, the Guarantor or the Cash Manager on its behalf will be required, upon request by the Assignor, to procure that the relevant amount of Collected Mortgage Payments standing to the credit of the Liquidity Reserve Fund Ledger in an amount not exceeding the value of Excess Cover Pool Assets in accordance with the Security Assignment Agreement is transferred back to the Assignor on the following Test Date, provided that there is no Breach of Test Notice then outstanding.

### Collected Mortgage Payments

Prior to the occurrence of a Notification Event, the Assignor will generally be entitled to keep all collected mortgage payments pursuant to the Security Assignment Agreement (**Collected Mortgage Payments**) rather than paying over the same to the Guarantor. However, for liquidity purposes, the Assignor will be obliged to pay over the Collected Mortgage Payments to the Guarantor (which will be credited to the Cover Pool Bank Account) in the following circumstances:

- (a) for so long as a Breach of Test Notice is outstanding and has not been revoked;
- (b) for so long as a Liquidity Reserve Trigger Event has occurred and is continuing up to the Liquidity Reserve Fund Required Amount; and

Prior to the Guarantee Activation Date (notwithstanding that a Notification Event may have already occurred), after applying monies standing to the credit of the Cover Pool Bank Account to pay higher ranking amounts in accordance with the Pre-Guarantee Priority of Payments, upon request by the Assignor, the monies standing to the credit of the Cover Pool Bank Account in an amount not exceeding the value of Excess Cover Pool Assets in accordance with the Security Assignment Agreement will be paid back to the Assignor on each Test Date, provided that no Breach of Test Notice has occurred which is outstanding. See also "*Overview of the Principal Transaction Documents—Security Assignment Agreement—Collected Mortgage Payments Prior to the Occurrence of an Issuer Event of Default*".

### Asset Coverage Test

The Asset Coverage Test is intended to mitigate against the risk that the Guarantor cannot meet its obligations under the Guarantee with respect to payments under the Covered Bonds, as well as senior ranking expenses which will include costs relating to the maintenance, administration and winding-up of the Cover Pool whilst the Covered Bonds are outstanding.

The Servicer will be appointed to calculate the Asset Coverage Test as of each Pre-Event Test Date prior to the IED Guarantee Activation Date. The Asset Monitor will be appointed to periodically verify the calculations.

If the Asset Coverage Test is not met on two consecutive Test Dates, the Asset Coverage Test will be breached and the Assignee will serve a notice (a **Breach of Test Notice**) on the Assignor. A Breach of Test Notice in respect of the Asset Coverage Test will be deemed revoked if, on the Test Date immediately following the service of the Breach of Test Notice, the Asset Coverage Test is satisfied.

For so long as a Breach of Test Notice is outstanding (i) no Collateral Differential shall become due and (ii) the Assignor will transfer to the Assignee any amounts received by it as Collected Mortgage Payments.

If a Breach of Test Notice has not been revoked on or before the date which is two Business Days after the Test Date immediately following the date of service of such notice, then an Issuer Event of Default will occur.

The Asset Coverage Test is met on a specific Test Date with reference to the immediately previous Cut-off Date if the Adjusted Aggregate Relevant Mortgage Loan Amount is in an amount at least equal to the Aggregate Principal Amount Outstanding of all Series and Tranches of Covered Bonds.

- (a) **Adjusted Aggregate Relevant Mortgage Loan Amount** means the amount calculated on each Test Date as of the previous Cut-off Date as follows:

$$A + B + C - (X + Z)$$

where,

A = the lower of (i) and (ii), where:

- (i) = the sum of the **Adjusted Current Balance** of each Relevant Mortgage Loan, which, in relation to each Relevant Mortgage Loan, shall be the lower of (1) the actual Current Balance of each Relevant Mortgage Loan as calculated on the Test Date as of the previous Cut-off Date and (2) the related Pro Rata Property Value multiplied by M (where for each Relevant

Mortgage Loan that is less than three months in arrears or not in arrears,  $M = 0.80$ , for each Relevant Mortgage Loan that is three months or more in arrears and has a related LTV of less than or equal to 80%,  $M = 0.40$  and for each Relevant Mortgage Loan that is three months or more in arrears and has a related LTV of more than 80%,  $M = 0.25$ ).

For the purpose of this calculation the following shall be disregarded:

1. Each Relevant Mortgage Loan affected by an increase in accordance with the Servicing Standards;
2. Each Relevant Mortgage Loan affected by a change of Mortgage Product according to the Servicing Standards;
3. Each Relevant Mortgage Loan affected by a change of Mortgage Debtor according to the Servicing Standards;
4. If a Substitution Event occurred in respect of an Relevant Mortgage Loan since the Cut-off Date preceding the previous Cut-off Date, and the Affected Mortgage Assets were not retransferred to the Assignor in accordance with the Security Assignment Agreement before the previous Cut-off Date, an amount equal to the Current Balance of the affected Relevant Mortgage Loan (as calculated on the Test Date as of the previous Cut-off Date);

*minus*

an amount equal to the resulting financial loss incurred by the Guarantor since the Cut-off Date preceding the previous Cut-off Date (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Assignor or the Replacement Servicer to indemnify the Guarantor for such financial loss), if the Assignor, since the Cut-off Date preceding the previous Cut-off Date, was in breach of any other material warranty under the Security Assignment Agreement and/or the Replacement Servicer was, since the Cut-off Date preceding the previous Cut-off Date, in breach of any material term of the Servicing Standards;

AND

- (ii) = the sum of the **Arrears Adjusted Current Balance** of each Relevant Mortgage Loan, which, in relation to each Relevant Mortgage Loan, shall be the lower of (1) the actual Current Balance of each Relevant Mortgage Loan as calculated on the Test Date as of the previous Cut-off Date and (2) the related Pro Rata Property Value multiplied by N (where for each Relevant Mortgage Loan that is less than three months in arrears or not in arrears,  $N = 1$ ; for each Relevant Mortgage Loan that is three months or more in arrears and has a related LTV of less than or equal to 80%,  $N = 0.40$  and for each Relevant Mortgage Loan that is three months or more in arrears and has a related LTV of more than 80%,  $N = 0.25$ ),

For the purpose of this calculation the following shall be disregarded:

1. Each Relevant Mortgage Loan affected by an increase in accordance to the Servicing Standards;
2. Each Relevant Mortgage Loan affected by a change of Mortgage Product according to the Servicing Standards;
3. Each Relevant Mortgage Loan affected by a change of Mortgage Debtor according to the Servicing Standards;
4. If a Substitution Event occurred in respect of a Relevant Mortgage Loan since the Cut-off Date preceding the previous Cut-off Date (excluding any obligation to replace a Relevant Mortgage Loan which has an LTV of greater than 100% or mortgage claims that are three months or more in arrears), and the Affected Mortgage Assets were not retransferred to the Assignor in accordance with the Security Assignment Agreement before the previous Cut-off Date, an amount equal to the Current Balance of the affected Relevant Mortgage Loan (as calculated on the Test Date as of the previous Cut-off Date);

*minus*

an amount equal to the resulting financial loss incurred by the Guarantor since the Cut-off Date preceding the previous Cut-off Date (such financial loss to be calculated by the Cash Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Guarantor by the Guarantor or the Replacement Servicer to indemnify the Guarantor for such financial loss), if the Assignor, since the Cut-off Date preceding the previous Cut-off Date, was in breach of any other material warranty under the Security Assignment Agreement and/or the Replacement Servicer was, since the Cut-off Date preceding the previous Cut-off Date, in breach of any material term of the Servicing Standards;

the result of the calculation in this paragraph (ii) above being multiplied by the Asset Percentage (as defined below);

- B= the CHF Equivalent of the aggregate cash amount standing to the credit of the General Bank Account and the Cover Pool Bank Account as of the previous Cut-off Date;
- C= the CHF Equivalent of the aggregate outstanding principal balance of any Substitute Assets (excluding cash already accounted for under item "B" above);
- X= for as long as the Issuer's short-term deposit rating is equal to or higher than 'F1' by Fitch or its long-term deposit rating is equal to or higher than 'A' by Fitch or, if no deposit rating is available, the Fitch Short-Term Issuer Default Rating is equal to or higher than 'F1' or the Fitch Long-Term Issuer Default Rating is equal to or higher than 'A', zero; otherwise an amount equal to the Deposit Set-Off Amount;
- Z= (a) zero, for so long as the Issuer's Fitch Long-Term Issuer Default Rating is at least 'A' or the Issuer's Fitch Short-Term Issuer Default Rating is at least 'F1'; or
- (b) otherwise, the weighted average remaining maturity (expressed in years) of all Covered Bonds then outstanding multiplied by the Aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor, provided that provided that if the weighted average remaining maturity of all Covered Bonds then outstanding is less than one, the weighted average remaining maturity shall be deemed, for the purposes of this calculation, to be 1 (one) **Negative Carry Factor** means 0.5% (or such other percentage as may be specified by the Issuer from time to time subject to the Ratings Condition being satisfied).
- (b) The **Asset Percentage** means, on any Test Date, the higher of 65 per cent. and N, where N is the percentage figure selected at the option of the Guarantor (or the Cash Manager acting on its behalf) from time to time that is necessary to ensure that the Covered Bonds maintain the then current rating assigned to them by Fitch.
- (c) **Deposit Set-Off Amount** means for each Relevant Mortgage Loan and in respect of each related Mortgage Debtor, the lower of (i) the aggregate balance of each savings account held with the Assignor by such Mortgage Debtor (whether such savings account is a joint account or not and whether such other joint savings account holder is a Mortgage Debtor under an Relevant Mortgage Loan or not, and to avoid double counting such savings balance shall only be included in the calculation once); (ii) the Current Balance of such Relevant Mortgage Loan, provided that:
- (i) the calculation of (i) above shall deduct from the savings account balance of each Mortgage Debtor amounts which are claimable by such borrower under the Swiss Depositor Protection Scheme (esisuisse) or successor Depositor Protection Schemes pursuant to applicable law;
- (ii) if (1) the Adjusted Current Balance is less than (2) the product of the Arrears Adjusted Current Balance and the Asset Percentage, then the Deposit Set-Off Amount shall be reduced by the positive difference between (2) and (1), provided that such reduction shall not reduce the Deposit Set-Off Amount to less than 0; and
- (iii) the Deposit Set-Off Amount may equal an amount lower than the amount calculated pursuant to the above if Rating Agency Condition has been met,

in each case as calculated on any day between the immediately preceding Cut-off Date and the relevant Test Date;

On any Zurich Business Day (including, but not limited to any Test Date) as may be selected from time to time by and at the option of the Guarantor (or the Cash Manager acting on its behalf) the Guarantor (or the Cash Manager acting on its behalf) will send a written notice to the Trustee and Fitch of the percentage figure that has been selected by the Guarantor (or the Cash Manager acting on its behalf) in accordance with the Security Assignment Agreement and that will be applied on the immediately following Test Date (or, where the Guarantor (or the Cash Manager acting on its behalf) has sent notice on a Test Date, the percentage figure that will be applied

on that Test Date), being the difference between 100 per cent. and the amount of credit enhancement required for the Covered Bonds to maintain the then current rating by Fitch.

### **Interest Coverage Test**

The Interest Coverage Test is intended to ensure that the Guarantor can meet its obligations under the Guarantee in respect of interest payments and its obligations in respect of senior ranking expenses which will include costs relating to the maintenance, administration and enforcement or liquidation of the Cover Pool Assets whilst the Covered Bonds are outstanding. The Assignor will be appointed to calculate the Interest Coverage Test as of each Pre-Event Test Date prior to the IED Guarantee Activation Date and such calculation shall be periodically verified by the Asset Monitor in accordance with and pursuant to the Asset Monitor Agreement. If the Interest Coverage Test is not met on two consecutive Test Dates, the Interest Coverage Test will be breached and the Assignee will serve a Breach of Test Notice on the Assignor.

A Breach of Test Notice in respect of the Interest Coverage Test will be deemed revoked if, on the Test Date immediately following the service of the Breach of Test Notice, the Interest Coverage Test is satisfied.

For so long as a Breach of Test Notice is outstanding (i) no Collateral Differential shall become due and (ii) the Assignor will transfer to the Assignee any amounts received by it as Collected Mortgage Payments.

If a Breach of Test Notice has not been revoked on or before the date which is two Business Days after the Test Date immediately following the date of service of such notice, then an Issuer Event of Default will occur.

The Interest Coverage Test is met on a specific Test Date if:

$$A \geq B$$

where,

A= the aggregate amount of Income Receipts expected to be received in respect of the Relevant Mortgage Loans and interest expected to be received in respect of any Substitute Assets in the Cover Pool (together the **Revenue Receipts**), in the period from and including the previous Cut-off Date to the date which falls 12 months after such Cut-off Date, net of the costs and expenses to be paid by the Guarantor during that same period; and

B= the interest amount due by the Issuer under the Covered Bonds then outstanding for the 12-month period, taking into account any hedging arrangements entered into in relation to the transaction.

For purposes of the Interest Coverage Test the following is assumed:

- (a) in determining the expected Revenue Receipts, the Servicer shall be entitled to assume
  - (i) that there is no loss, non-payment, or payments in arrears in respect of the Relevant Mortgage Loans or the Substitute Assets;
  - (ii) no change to the interest rates and interest amounts then applying to the Relevant Mortgage Loans or the Substitute Assets as at the previous Cut-off Date;
  - (iii) any Relevant Mortgage Loan maturing prior to the date which is the Final Redemption Date in respect of the last maturing Series of Covered Bonds will be replaced with a Mortgage Claim of the same Current Balance (as at the previous Cut-off Date) and bearing the same rate of interest;
  - (iv) any Substitute Asset maturing prior to the date which is the Final Redemption Date in respect of the last maturing Series of Covered Bonds will be replaced with a Substitute Asset of the same nominal amount (as at the previous Cut-off Date) and bearing or earning the same rate of interest; and
- (b) the costs and expenses of the Guarantor shall be calculated on the weighted average costs and expenses incurred by the Guarantor over the immediately preceding twelve full months.

### **Amortisation Test**

The Amortisation Test is intended to ensure that if, following an Issuer Event of Default (but prior to a Guarantor Event of Default and service on the Guarantor of a Guarantor Acceleration Notice), the Cover Pool Assets available to the Guarantor to meet its obligations under the Guarantee and in respect of senior ranking expenses which will include costs relating to the maintenance, administration and enforcement or liquidation of the Cover Pool Assets whilst the Covered Bonds are outstanding, fall to a level where Covered Bondholders may not be repaid, a Guarantor Event of Default will occur and all amounts owing under the Covered Bonds may be

accelerated. The Amortisation Test is a formula which adjusts the Current Balance of each Relevant Mortgage Loan in the Cover Pool and has further adjustments to take account of Relevant Mortgage Loans in arrears.

The Replacement Servicer will be appointed to perform the Amortisation Test as at each Test Date after the IED Guarantee Activation Date.

The Amortisation Test is met on a specific Test Date, if the Amortisation Test Aggregate Relevant Mortgage Loan Amount (as defined below) will be in an amount at least equal to the Aggregate Principal Amount Outstanding of all Series of the Covered Bonds as calculated by the Assignor or the Replacement Servicer, as the case may be, and such calculation shall be periodically verified by the Asset Monitor in accordance with the Asset Monitor Agreement.

Upon a breach of the Amortisation Test by the Guarantor, a Guarantor Event of Default will occur which will (subject to the Conditions) lead to the service of a Guarantor Acceleration Notice on the Guarantor and the acceleration of the obligations under the Guarantee in relation to all Covered Bonds then outstanding.

**Amortisation Test Aggregate Relevant Mortgage Loan Amount** will be calculated on each Test Date as of the previous Cut-off Date as follows:

$$A + B + C - Z$$

where,

- A= the aggregate Amortisation Test Current Balance of each Relevant Mortgage Loan, which shall be the lower of (1) the Current Balance of each Relevant Mortgage Loan as of the previous Cut-off Date multiplied by M and (2) the related Pro Rata Property Value multiplied by M, where for each Relevant Mortgage Loan that is less than three months in arrears or not in arrears M = 1 and for each Relevant Mortgage Loan that is three months or more in arrears M = 0.8;
- B= the CHF Equivalent of the aggregate cash amount standing to the credit of the General Bank Account and the Cover Pool Bank Account as of the previous Cut-off Date;
- C= the CHF Equivalent of the aggregate outstanding principal balance of any Substitute Assets (excluding cash already accounted for under item "B" above); and
- Z = the weighted average remaining maturity (expressed in years) of all Covered Bonds then outstanding multiplied by the Aggregate Principal Amount Outstanding of the Covered Bonds multiplied by the Negative Carry Factor, provided that if the weighted average remaining maturity of all Covered Bonds then outstanding is less than one, the weighted average remaining maturity shall be deemed, for the purposes of this calculation, to be 1 (one).

## CASH FLOWS

As described above under Credit Structure, the Covered Bonds will be direct, unsubordinated, unsecured and unconditional obligations of the Issuer which shall have the benefit of the Guarantee. The obligations of the Guarantor under the Guarantee will constitute direct, unsecured, unsubordinated and (following the Guarantee Activation Date and subject to the service of a Notice to Pay for the relevant amount on the Guarantor) unconditional obligations of the Guarantor. The Guarantor is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Issuer. For the avoidance of doubt, following the Guarantee Activation Date, any amounts owing to Covered Bondholders which remain unpaid under the Guarantee will continue to be direct, unsubordinated, unsecured, unconditional obligations of the Issuer.

Prior to the Guarantee Activation Date, the Issuer is liable to make all payments of interest and principal on the Covered Bonds.

Following the IED Guarantee Activation Date (but prior to the GED Guarantee Activation Date) and subject to the service of a Notice to Pay for the relevant amount on the Guarantor, the Guarantor will be obliged under the Guarantee to pay the relevant Guaranteed Amount due and payable under all outstanding Series of Covered Bonds subject to and in accordance with the Guarantee Priority of Payments on the Original Due for Payment Date.

Following a GED Guarantee Activation Date, all Guaranteed Amounts will become immediately due and payable and following the service of a Notice to Pay for due relevant amount(s) the Bondholders' Representative acting as direct representative (*représentant direct*) in the name and for the account of the Covered Bondholders will have a claim against the Guarantor under the Guarantee for an amount equal to the Early Redemption Amount in respect of each Covered Bond together with accrued interest and any other amounts due under the Covered Bonds other than additional amounts payable under Condition 8 (*Taxation of Payments under the Guarantee*). Any monies received or recovered by the Cash Manager (including funds recorded on the Guarantor Profit Amount Ledger on the General Bank Account) will be distributed according to the Post-Insolvency Priority of Payments.

This section summarises the priorities of payments of the Guarantor, as to the allocation and distribution of amounts standing to the credit of the Guarantor Bank Accounts and their order of priority:

- (a) before the IED Guarantee Activation Date (the **Pre-Guarantee Priority of Payments**);
- (b) following the IED Guarantee Activation Date but prior to the GED Guarantee Activation Date (the **Guarantee Priority of Payments**); and
- (c) following the GED Guarantee Activation Date (the **Post-Insolvency Priority of Payments**), together, the **Priorities of Payments**, and each a **Priority of Payments**.

### **Allocation and distribution of amounts prior to the Guarantee Activation Date**

The priority of payments set out in paragraphs (a) and (b) below is the Pre-Guarantee Priority of Payments.

#### ***Pre-Guarantee Priority of Payments***

- (a) On each Guarantor Payment Date, the Guarantor and the Relevant Creditors will direct the Cash Manager to apply (or will have acknowledged and agreed pursuant to the relevant Transaction Document that the Cash Manager shall apply) amounts standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger on the General Bank Account), as calculated on the immediately preceding Calculation Date (but taking into account amounts received or receivable from the Swap Providers (if any) on such Guarantor Payment Date), to make the following payments and provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):
  - (i) *first*, in or towards satisfaction of any amounts then properly due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Trustee or any Appointee of the Trustee pursuant to the terms of the Trust Agreement (excluding amounts due on the Covered Bonds), together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
  - (ii) *second*, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts then properly due and payable, or to become due and payable, in the Guarantor Payment Period commencing on such Guarantor Payment Date, together with applicable VAT (or other similar taxes) thereon to the extent agreed, by the Guarantor to creditors not party to or bound by the Intercreditor Agreement or for which the Guarantor has Joint Liability with the Issuer (other than pursuant to sub-paragraph (i) above) and only to the extent the Issuer has failed to



pay such creditors and for which payment has not been provided for elsewhere in this Pre-Guarantee Priority of Payments;

- (iii) *third*, in or towards satisfaction *pro rata* and *pari passu* of any amounts (other than pursuant to subparagraph (ii) above and excluding amounts due on the Covered Bonds) then due and payable, or to become due and payable on the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Agents under the provisions of the Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
- (iv) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to (A) the Cash Manager pursuant to the terms of the Cash Management Agreement, (B) the Account Bank (including costs) pursuant to the terms of the Master Bank Account Agreement, (C) the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement, (D) a Replacement Servicer pursuant to the terms of a Replacement Servicer Agreement, and (E) the Asset Monitor pursuant to the terms of the Asset Monitor Agreement, each together with applicable VAT (or other similar taxes) thereon to the extent provided in the relevant agreement;
- (v) *fifth*, (after taking into account any Swap Termination Payment (if any) received by the Guarantor from the corresponding incoming or outgoing Swap Provider (if any)) in or towards payment *pro rata* and *pari passu* of any Swap Termination Payment due and payable to any outgoing Cover Pool Swap Provider (if any) or outgoing Covered Bond Swap Provider (if any) (excluding any Excluded Swap Termination Amount) or any incoming Replacement Cover Pool Swap Provider (if any) or incoming Replacement Covered Bond Swap Provider (if any), in each case subject to and in accordance with the terms of the relevant Swap Agreement (if any) and the Intercreditor Agreement;
- (vi) *sixth*, in or towards payment, *pro rata* and *pari passu*, of any Excluded Swap Termination Amount due to any outgoing Cover Pool Swap Provider (if any) or outgoing Covered Bond Swap Provider (if any) (in each case to the extent not satisfied through any Premium received by the Guarantor);
- (vii) *seventh*, in or towards satisfaction of any amounts then properly due and payable to be reimbursed by the Guarantor to the Issuer or the Assignor pursuant to the Guarantee Mandate Agreement or the Security Assignment Agreement;
- (viii) *eighth*, provided that no Breach of Test Notice has been served on the Assignor under the Security Assignment Agreement which is outstanding, in or towards payment of the Collateral Differential (and any Deferred Collateral Differential) to the Originator;
- (ix) *ninth*, in or towards payment *pro rata* and *pari passu* of any other amounts (including indemnity amounts and Termination Amounts due to the Initial Swap Provider (if any)) owed by the Guarantor to the Assignor and any other Relevant Creditor (to the extent not otherwise provided for in this Pre-Guarantee Priority of Payments);
- (x) *tenth*, but only on the Guarantor Payment Date following the date of the Guarantor's annual general shareholders meeting, subject to and in accordance with Swiss law, to (x) credit an amount equal to the Guarantor's distributable profit for the last fiscal year according to Swiss GAAP, net of any amounts carried forward from previous years, to the Guarantor Profit Amount Ledger or (y) pay a dividend in an amount up to the Guarantor Profit Ledger Balance on that date, provided that (A) a relevant resolution of the shareholders meeting of the Guarantor has been passed to enable payment of any such dividend and (B) no Breach of Test Notice has been served on the Assignor under the Security Assignment Agreement which is outstanding;
- (xi) *eleventh*, to maintain an amount equal to the Guarantor Profit Ledger Balance in the General Bank Account; and
- (xii) *twelfth*, the remainder for the Guarantor to retain in the General Bank Account. For the avoidance of doubt, it is understood and agreed that in case amounts are paid to:
  - (A) the Trustee pursuant to sub-clause (i) above which have been, pursuant to the terms of the Trust Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (ii) to (xii) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first; and

- (B) the Agents pursuant to sub-clause (iii) above which have been, pursuant to the terms of the Agency Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (iv) to (xii) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first.
- (b) On each Guarantor Payment Date (except as described in sub-paragraph (ii) below), the Guarantor and the Relevant Creditors will direct the Cash Manager to apply amounts (if any) standing to the credit of the Cover Pool Bank Account, as calculated on the immediately preceding Calculation Date, to make the following payments and provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):
- (i) *first*, for so long as a Liquidity Reserve Trigger Event has occurred and is continuing, to maintaining a credit on the Cover Pool Bank Account (with a corresponding credit to the Liquidity Reserve Fund Ledger) of an aggregate amount up to but not exceeding the difference between:
    - (A) the Liquidity Reserve Fund Required Amount; and
    - (B) all amounts standing to the credit of the Liquidity Reserve Fund Ledger on the immediately preceding Calculation Date;
  - (ii) *second*, on the Test Date immediately following the relevant Guarantor Payment Date on which provisions were made pursuant to (i) above, and provided that no Breach of Test Notice has been served on the Assignor that has not been revoked on that Test Date and the requirements of the Security Assignment Agreement are complied with, to pay remaining amounts standing to the credit of the Cover Pool Bank Account to the Assignor.

### **Allocation and distribution of amounts following the IED Guarantee Activation Date**

The priority of payments set out in paragraphs (a) and (b) below is the Guarantee Priority of Payments which applies following the IED Guarantee Activation Date, but prior to the GED Guarantee Activation Date.

#### ***Guarantee Priority of Payments***

- (a) On each Guarantor Payment Date, the Relevant Creditors will direct the Cash Manager to apply (or will have acknowledged and agreed pursuant to the relevant Transaction Document that the Cash Manager shall apply) amounts standing to the credit of the General Bank Account (including funds recorded on the Guarantor Profit Amount Ledger on the General Bank Account) as calculated on the immediately preceding Calculation Date (but taking into account amounts received or receivable from the Swap Providers (if any) on such Guarantor Payment Date), to make the following payments and provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):
- (i) *First*, in or towards satisfaction of any amounts then properly due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, by the Guarantor or the Issuer to the Trustee or any Appointee of the Trustee pursuant to the terms of the Trust Agreement (excluding amounts due on the Covered Bonds), together with applicable VAT (or other similar taxes) thereon to the extent provided therein.
  - (ii) *Second*, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts then properly due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, together with applicable VAT (or other similar taxes) thereon to the extent agreed, by the Guarantor to creditors not party to or bound by the Intercreditor Agreement.
  - (iii) *Third*, in or towards satisfaction *pro rata* and *pari passu* of any amounts (other than pursuant to sub-paragraph (ii) above and excluding Guaranteed Amounts corresponding to amounts due on the Covered Bonds) then due and payable by the Guarantor or the Issuer to the Agents under the provisions of the Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein.
  - (iv) *Fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to (A) the Cash Manager pursuant to the terms of the Cash Management Agreement, (B) the Account Bank (including costs) pursuant to the

terms of the Master Bank Account Agreement, (C) the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement, (D) a Replacement Servicer pursuant to the terms of a Replacement Servicer Agreement, and (E) the Asset Monitor pursuant to the terms of the Asset Monitor Agreement, each together with applicable VAT (or other similar taxes) thereon to the extent provided in the relevant agreement.

- (v) *Fifth*, in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof, of (without double counting):
- (1) (after taking account of any Swap Termination Payment received by the Guarantor from the corresponding incoming or outgoing Swap Provider (if any)) in or towards payment, *pro rata* and *pari passu*, of any Swap Termination Payment due and payable to any outgoing Cover Pool Swap Provider (if any) and/or outgoing Covered Bond Swap Provider (if any) (excluding any Excluded Swap Termination Amount) or any incoming Replacement Cover Pool Swap Provider (if any) and/or incoming Replacement Covered Bond Swap Provider (if any), in each case subject to and in accordance with the terms of the relevant Swap Agreement (if any) and the Intercreditor Agreement; and
  - (2) (after (x) taking account of all monies to be applied on the relevant Guarantor Payment Date to make payments or provisions for amounts due to any Covered Bond Swap Providers (if any) under paragraph (b)(ii)(1) below (which swapped amounts, if any, will, in accordance with paragraph (c) below, be paid directly to the Principal Paying Agent to pay Scheduled Interest on the corresponding Series of Covered Bonds) and (y), in respect of any Accumulation Series of Covered Bonds, taking account of any amount standing to the credit of and (without double counting) credited to the Interest Accumulation Ledger under paragraph (b)(ii)(2) below (which amounts will, in accordance with paragraph (b)(iv) below, be applied in paying Guaranteed Amounts corresponding to Scheduled Interest on the Series of Accumulation Series of Covered Bonds), in and towards payment of all Guaranteed Amounts corresponding to Scheduled Interest due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, in respect of the Covered Bonds of each Series in accordance with the terms of the Guarantee to the Principal Paying Agent on behalf of the Covered Bondholders (subject to paragraph (c) below), provided that if the amount available for distribution under this sub-paragraph (2) would be insufficient to pay the (or the CHF Equivalent of the) Guaranteed Amounts corresponding to Scheduled Interest amounts due and payable in respect of each Series of Covered Bonds (after taking account (i) of all monies to be applied on the relevant Guarantor Payment Date to make payments to or provisions for amounts due to any Covered Bond Swap Providers (if any) under paragraph (b)(ii)(1) below (which swapped amounts will be paid directly to the Principal Paying Agent to pay Scheduled Interest amounts on the corresponding Series of Covered Bonds) and in respect of any Accumulation Series of Covered Bonds, any amount standing to the credit of and (without double counting) credited to the Interest Accumulation Ledger under paragraph (b)(ii)(2) below (which amounts will, in accordance with paragraph (b)(iv) below, be applied in paying Guaranteed Amounts corresponding to Scheduled Interest amounts on the relevant Series of Accumulation Series of Covered Bonds), the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis. The Principal Paying Agent shall use any amounts received to pay the relevant amounts due and payable on the Covered Bonds in an amount calculated pursuant to this sub-clause (v)(2) on the Guarantor Payment Date and during the Guarantor Payment Period as needed.
- (vi) *Sixth*, after taking account of all monies to be applied on the relevant Guarantor Payment Date to make payments to or provisions for amounts due to the Covered Bond Swap Providers (if any) under paragraph (b)(iii) below (which swapped amounts will, in accordance with paragraph (c) below, be paid directly to the Principal Paying Agent to pay Scheduled Principal on the corresponding Series of Covered Bonds), in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof, of all Guaranteed Amounts corresponding to Scheduled Principal amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, in respect of the Covered Bonds of each Series in accordance with the terms of the Guarantee (subject to paragraph (d) below), to the Principal Paying Agent on behalf of the Covered Bondholders; provided that if the amount available for distribution under this sub-paragraph (vi) (after taking account of all monies to be applied on the relevant Guarantor Payment Date to make payments to or provisions for amounts due to the Covered Bond Swap Providers (if any) under paragraph (b)(iii) below, which swapped amounts will be paid directly to the Principal Paying Agent to pay Scheduled Principal on the corresponding Series of Covered Bonds) would be

insufficient to pay the principal amounts due and payable in respect of each such Series of Covered Bonds, the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis.

- (vii) *Seventh*, to deposit the remaining monies in the General Bank Account for application on the next following Guarantor Payment Date in accordance with the priority of payments described in paragraphs (i) to (vi) (inclusive) above, until all Series of Covered Bonds have been fully repaid or provided for.
- (viii) *Eighth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the Guarantor to any Replacement Swap Provider (if any) under the corresponding Swap Agreement (if any).
- (ix) *Ninth*, in or towards satisfaction of any amounts then properly due and payable to be reimbursed by the Guarantor to the Issuer or the Assignor pursuant to the Guarantee Mandate Agreement or the Security Assignment Agreement.
- (x) *Tenth*, but only on the Guarantor Payment Date following the date of the Guarantor's annual general shareholders meeting, subject to and in accordance with Swiss law, to (1) credit an amount equal to the Guarantor's distributable profit for the last fiscal year according to Swiss GAAP, net of any amounts carried forward from previous years, to the Guarantor Profit Ledger or (2) pay a dividend in an amount up to the Guarantor Profit Ledger Balance on that date, provided that a relevant resolution of the shareholders meeting of the Guarantor has been passed to enable payment of any such dividend.
- (xi) *Eleventh*, in or towards payment *pro rata* and *pari passu* of any Collateral Differential (including any Deferred Collateral Differential) payable to the Originator and any amounts (including indemnity amounts and any Termination Amounts due to the Initial Swap Provider (if any)) owed by the Guarantor to the Assignor and any other Relevant Creditor (to the extent not otherwise provided for in this Guarantee Priority of Payments).
- (xii) *Twelfth*, the remainder for the Guarantor to retain in the General Bank Account.

For the avoidance of doubt, it is understood and agreed that in case amounts are paid to:

- (i) the Trustee pursuant to sub-clause (i) above which have been, pursuant to the terms of the Trust Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (ii) to (xi) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first; and
  - (ii) the Agents pursuant to sub-clause (iii) above which have been, pursuant to the terms of the Agency Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (iv) to (xi) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first.
- (b) On each Guarantor Payment Date, the Guarantor and the Relevant Creditors will direct the Cash Manager to apply (or will have acknowledged and agreed pursuant to the relevant Transaction Documents that the Cash Manager shall apply) amounts standing to the credit of the Cover Pool Bank Account, as calculated on the immediately preceding Calculation Date, to make the following payments and provisions in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full):
- (i) *First*, in or towards payment *pro rata* and *pari passu* of any amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to each Cover Pool Swap Provider (if any) in respect of any Cover Pool Swaps (excluding any Swap Termination Payment) in accordance with the terms of the relevant Swap Agreement (if any).
  - (ii) *Second*, in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof,
    - (1) of amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to each Covered Bond Swap Provider (if any)

in respect of amounts due under any Covered Bond Swap and corresponding to Scheduled Interest due on each Series of Covered Bonds (excluding amounts corresponding to Scheduled Principal and any Swap Termination Payments) in accordance with the terms of the relevant Swap Agreement (if any); and

- (2) in respect of any Accumulation Series of Covered Bonds where no Guaranteed Amounts corresponding to Scheduled Interest amounts are due and payable or to become due and payable in accordance with the terms of the Guarantee on a Guarantor Payment Date or in the Guarantor Payment Period commencing on such Guarantor Payment Date, credit to the Interest Accumulation Ledger the amount required to cause the balance standing to the credit of the Interest Accumulation Ledger to equal the Accumulation Interest Required Amount as of such Guarantor Payment Date.
  - (iii) *Third*, in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof, of amounts due and payable, or to become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, to each Covered Bond Swap Provider (if any) in respect of amounts due under any Covered Bond Swap and corresponding to Scheduled Principal due on each Series of Covered Bonds (and, for the avoidance of doubt, excluding amounts corresponding to Scheduled Interest and any Swap Termination Payment) in accordance with the terms of the relevant Swap Agreement (if any).
  - (iv) *Fourth*, in respect of any Accumulation Series of Covered Bonds where Guaranteed Amounts corresponding to Scheduled Interest amounts are due and payable in accordance with the terms of the Guarantee on the relevant Guarantor Payment Date or become due and payable in the Guarantor Payment Period commencing on such Guarantor Payment Date, any amount standing to the credit and (without double counting) any amount credited to the Interest Accumulation Ledger on such Guarantor Payment Date in accordance with paragraph (b)(ii)(2) (if any) shall be applied in paying such Guaranteed Amounts, *pro rata* and *pari passu* according to the respective amounts thereof, by paying the Principal Paying Agent on behalf of the relevant Covered Bondholders. The Principal Paying Agent shall use any amounts received to pay the relevant amounts due and payable on the Accumulation Series Covered Bonds in an amount calculated pursuant to paragraph (iv) on the Guarantor Payment Date and during the Guarantor Payment Period as needed.
  - (iv) *Fifth*, to deposit the remaining monies in the Cover Pool Bank Account for application on the next following Guarantor Payment Date in accordance with the priority of payments described in paragraphs (i) to (iii) (inclusive) above, until all Secured Obligations have been fully repaid or provided for.
- (c) The Guarantor will direct each Covered Bond Swap Provider (if any) to pay any monies due to the Guarantor under each Swap Agreement (if any) (other than any Swap Termination Payments) directly to the account of the Principal Paying Agent (and not to the Guarantor), for onward payment to the relevant Covered Bondholders on each relevant Scheduled Payment Date (unless the Cash Manager notifies the Covered Bond Swap Provider (if any) that either (i) an Enforcement Event has not occurred in respect of the relevant Secured Obligation, in which case the payment due by the Covered Bond Swap Provider (if any) under the Swap Agreement (if any) shall be made to the Guarantor and credited to the Cover Pool Bank Account or (ii) the amount of the payment to the Principal Paying Agent should be reduced (due to the Issuer making a payment to the Principal Paying Agent for the difference), in which case the difference shall be paid by the Covered Bond Swap Provider (if any) to the Guarantor and credited to the Cover Pool Bank Account.
  - (d) Notwithstanding anything provided in paragraphs (a) and (b) above, subject to the terms of the Security Assignment Agreement, amounts may be withdrawn from the General Bank Account and the Cover Pool Bank Account to make payments due to those Covered Bondholders whose Covered Bonds fall due for payment in the period between the service of a Notice to Pay on the Guarantor and the first Guarantor Payment Date, as if such day was a Guarantor Payment Date.

### **Allocation and distribution of amounts following the GED Guarantee Activation Date**

The priority of payments set out below is the Post-Insolvency Priority of Payments which applies following the GED Guarantee Activation Date.

#### ***Post-Insolvency Priority of Payments***

All monies, interest or distributions (including funds recorded on the Guarantor Profit Amount Ledger on the General Bank Account) received or recovered by the Cash Manager on behalf of the Relevant Creditors (save for (A) any Mortgage Assets or other Cover Pool Assets to be returned to the Assignor upon complete discharge

of all Secured Obligations and/or (B) to the extent required otherwise by law) shall be applied in the following order of priority (and, in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full) on any Relevant Payment Date (such date being determined by the Cash Manager in consultation with the Trustee, for so long as any Covered Bonds are outstanding):

- (i) *first*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof, of any amounts then properly due and payable by the Guarantor or the Issuer to the Trustee or any Appointee of the Trustee pursuant to the terms of the Trust Agreement (excluding amounts due on the Covered Bonds) and any amounts then properly due and payable by the Guarantor to creditors not party or bound by the Intercreditor Agreement (but who, as a matter of applicable law, are required to be paid) or for which the Guarantor has Joint Liability with the Issuer and only to the extent the Issuer has failed to pay such amounts and for which payment has not been provided for elsewhere in this Post-Insolvency Priority of Payments each together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
- (ii) *second*, in or towards satisfaction *pro rata* and *pari passu* of any amounts (other than pursuant to sub-paragraph (i) above and excluding amounts due on the Covered Bonds) then due and payable by the Guarantor or the Issuer to the Agents under the provisions of the Agency Agreement together with applicable VAT (or other similar taxes) thereon to the extent provided therein;
- (iii) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts then due and payable to (A) the Cash Manager pursuant to the terms of the Cash Management Agreement, (B) the Account Bank (including costs) pursuant to the terms of the Master Bank Account Agreement, (C) the Corporate Services Provider pursuant to the terms of the Corporate Services Agreement, (D) a Replacement Servicer pursuant to the terms of a Replacement Servicer Agreement and (E) the Asset Monitor pursuant to the terms of the Asset Monitor Agreement, each together with applicable VAT (or other similar taxes) thereon to the extent provided in the relevant agreement;
- (iv) *fourth*, in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof, of (without double counting):
  - (A) in or towards payment of any amounts due and payable to each Replacement Cover Pool Swap Provider (if any) (including any Swap Termination Payments but excluding any Excluded Swap Termination Amount) in accordance with the terms of the relevant Swap Agreement (if any);
  - (B) the amounts due and payable to each Replacement Covered Bond Swap Provider (if any) *pro rata* and *pari passu* in respect of each Covered Bond Swap (including any Swap Termination Payment due and payable by the Guarantor under the Swap Agreement (if any) but excluding any Excluded Swap Termination Amount) in accordance with the terms of the relevant Swap Agreement (if any); and
  - (C) (taking into account any amounts received or receivable from the relevant Covered Bond Swap Provider (if any)) (x) all interest and principal and other amounts due and payable in respect of the Covered Bonds of each Series in accordance with the terms of the Guarantee or (y) in any insolvency of the Guarantor, any amount due and payable in lieu of such interest, principal and other amounts respectively (such amounts being paid, subject to applicable law, to the Trustee or (if so directed by the Trustee), to the Principal Paying Agent on behalf of the Covered Bondholders,provided that if the amount available for distribution under this sub-paragraph (iv) (excluding any amounts received or receivable from the relevant Covered Bond Swap Provider (if any)) would be insufficient to pay the amounts due and payable in respect of each Series of Covered Bonds, the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the Guarantor to the relevant Covered Bond Swap Provider (if any) in respect of each relevant Series of Covered Bonds under sub-paragraph (iv)(B) shall be reduced by the amount of the shortfall applicable to the Series of Covered Bonds in respect of which such payment is to be made;
- (v) *fifth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the Guarantor to a Replacement Swap Provider (if any) under the Swap Agreement (if any);
- (vi) *sixth*, in or towards satisfaction of any amounts then properly due and payable to be reimbursed by the Guarantor to the Issuer or the Assignor pursuant to the Guarantee Mandate Agreement or the Security Assignment Agreement;

- (vii) *seventh*, in or towards payment *pro rata* and *pari passu* of any Collateral Differential (including any Deferred Collateral Differential) due to the Originator and any other amounts (including indemnity amounts and any Termination Amounts due to the Initial Swap Provider (if any)) owed by the Guarantor to the Assignor and any other Relevant Creditor (to the extent not otherwise provided for in this Post-Insolvency Priority of Payments); and
- (viii) *eighth*, the remainder, if any, for the Guarantor.

For the avoidance of doubt, it is understood and agreed that in case amounts are paid to:

- (A) the Trustee pursuant to sub-clause (i) above which have been, pursuant to the terms of the Trust Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (ii) to (vii) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first; and
- (B) the Agents pursuant to sub-clause (ii) above which have been, pursuant to the terms of the Agency Agreement, the obligations of the Issuer only, payment of such amounts shall not be deemed the assumption of, or payment under, a corresponding obligation of the Guarantor and accordingly, such payment shall not increase the overall payment obligations of the Guarantor, but shall constitute a redistribution among Relevant Creditors, and the amounts payable to the Relevant Creditors pursuant to sub-clauses (iii) to (vii) above shall be reduced by the amount of such payment in discharge of such obligation(s) of the Issuer *pro tanto* in reverse order, so that payments or provisions of a lower priority are reduced first.

## CANB SWITZERLAND'S LENDING CRITERIA

CAnb Switzerland assesses mortgage loan applications against certain basic lending criteria (the "**Lending Criteria**"), as set out below.

The guidelines of the Swiss Bankers Association (SBA) for reviewing, appraising and processing applications for loans secured by a mortgage over a residential property, which the FINMA considers as binding self-regulatory directives, focus on five principles governing the qualitative assessment of mortgage lending summarised as follows:

- The borrower's creditworthiness must focus on the long-term financial soundness of the project and assess the sustainability of the borrower's revenues
- Collateral appraisal must be prudent, systematic and periodic, involving inspection of the mortgaged properties. The directives recommend a prudent appraisal approach, with a requirement for conservative valuations
- Revision of credit files must involve re-assessing the borrower's creditworthiness, surveillance of the loan parameters and re-valuation of properties
- Special rules apply to exceptions to policy requiring periodic review of the criteria for exceptions to policy (loan-to-value, amortisation policy and maintenance charges), frequent re-valuations and visible and transparent reporting on qualitative and quantitative factors
- Document quality requirements provide for review at inception and at periodic intervals

The above SBA directives have been reflected in CAnb Switzerland's internal credit policy (the "**Credit Policy**") with which each CAnb Switzerland employee is familiarized. It is reviewed at regular intervals to ensure it is aligned with risk appetite and reflects any changes to the self-regulatory principles of the SBA set out above.

The main Lending Criteria relate to the security, the loan-to-value (LTV) ratio, the debt service- to-income ratio ("**DTI**"), the term of the loan, the property characteristics, the exception to policy (ETP) and the loan documentation.

### **Security**

CAnb Switzerland finances the acquisition of real estate in Switzerland, Germany and France, subject to certain terms and conditions. A property valuation is performed for each loan application, which takes into account the features of each property, as well as the market characteristics and the location variables for each region.

For properties located in Switzerland, either an internal or an external expert is responsible for carrying out property valuations. CAnb Switzerland maintains a list of all approved external experts. CAnb Switzerland branch managers, client advisors and analysts are also able to carry out real estate valuations of standard properties in accordance with a specific delegation table. Such employees must be accredited in advance by CAnb Switzerland's Head of Real Estate Expertise Department.

Valuations are carried out in accordance with guidelines set out by the Bank, depending on the country location of the relevant property. CAnb Switzerland uses Wincrédit which is a Swiss standard valuation software of Wüest Partner AG, to appraise standard properties located in Switzerland.

A mandatory onsite visit is required by a Real Estate Expertise Department team member in the situations set out below. The aim of such onsite visit is to build a robust understanding of the underlying property to be financed.

- Luxury properties;
- Properties with a valuation greater than CHF 3,000,000;
- Investment properties such as rental or income generating properties or those with mixed use such as commercial and housing;
- In the case of contradictory or insufficient supporting property documentation;
- In the absence of precise and detailed documentation supporting the financing of extensions or maintenance or refurbishment work to be undertaken. For all maintenance or refurbishment work valued above CHF 100'000, a site visit is required at completion and any work valued above CHF 200,000 requires a detailed work description;
- Any property built more than 20 years ago.



## Loan-to-Value Ratio

For properties acquired less than two years prior to the granting of a mortgage loan, the value of the collateral is defined using the lower of (i) the respective valuer's property valuation and (ii) the market value (acquisition price or cost of project) of the property. For properties acquired two years or more prior to the granting of the mortgage loan, the value of the collateral is defined using the respective valuer's property valuation.

The original loan-to-value ("LTV") is calculated as the gross loan amount minus any security provided to secure the loan divided by the collateral value. Security may include any of the following or a combination thereof:

- A pledge of the Second Pillar (up to an amount equal to the liquidation value of the Second Pillar at the date the loan was granted);
- A pledge of the Third Pillar, being its accrued value at the time of the pledge or the net present value of the projected future investment rights, as the case may be (the latter only in conjunction with a bullet tranche);
- A home loan guarantee or deposit ("caution") from a prime Swiss financial institution;
- A pledge over one or more savings products; or
- A mortgage or equivalent lien over another property.

As a borrower's equity contribution, CAnb Switzerland accepts a down payment (e.g. from a saving account or partial withdrawal from the Second Pillar) or a pledge in favour of CAnb Switzerland (e.g. a term deposit, a savings account or a partial withdrawal from the Second Pillar) or creation of a lien over another property. In accordance with CAnb Switzerland's Credit Policy, the following maximum initial LTVs are set out in the table below:

Property type	Maximum initial LTV
Primary home	80%
Second home	66,7%
Buy-to-let property	75%
Investment property	75%

## Debt-to-Income Ratio

CAnb Switzerland's underwriting criteria reflect the self-regulatory principles of the Swiss Bankers Association (SBA). Such principles include criteria in respect of the borrower's creditworthiness and are included in CAnb Switzerland's Credit Policy and internal guidelines and procedures, updated from time-to-time to reflect, in particular, any revised SBA guidelines.

Reviewing a loan application involves an in-depth assessment of the borrower's creditworthiness and therefore his ability to repay the loan (i) at the time of underwriting, (ii) on a long term horizon, (iii) based on the initial interest rate conditions and (iv) using stressed interest rates.

The borrower's ability to repay the loan is measured over the long term as the borrower's capacity to meet periodic interest payments and principal repayment obligations under the loan agreement. Such measure is captured by a single ratio known as the debt-to-income ratio through a calculation of debt affordability.

A borrower's ability to repay the loan depends on the gross income available to pay interest and repay principal on a periodic basis. Assessment of the borrower's gross income also includes the sustainability of such available income.

Gross income – Gross income is calculated to take into account variable income, seasonal income and various allowances received, on which leases and alimonies are deducted from. Regarding the bonus captured, the following rules applies: if the bonus received is less than CHF 100,000 and represents less than 50% of total income, CAnb Switzerland takes into account 50% of the last payment qualifying as a bonus. If the bonus received is greater than CHF 100,000 or if it represents more than 50% of total income, the lower of (i) 50% of the average of the last 3 bonuses or (ii) 50% of the last bonus received, is taken into account. If there is any foreign revenue, a 10% haircut is applied on Euro, GBP and USD income, and on case by case basis for other currencies.

Charges – A stressed mortgage interest rate of 5% is applied to all outstanding mortgage loans, taking into account the contractual amortisation schedules, property maintenance charges of 0.5% per annum of the collateral value for newer building (constructions from 2016) for 10 years, and of 1% per annum for other constructions of the collateral value.

Maximum accepted Debt-to-Income ratio – Based on the above, CAnb Switzerland calculates a debt-to-income ratio which, using the 5% stressed interest rate, may not exceed 33%.

Tolerances – Credit applications may be accepted with a debt-to-income ratio of up to 38% provided the disposable income (after deduction of expenses as leases, alimonies and charges incurred by the financed loan) meets any of the following conditions:

- It is at least CHF 4,500 per month in the case of individual borrowers;
- It is at least CHF 6,000 per month in the case of a couple, whereby an extra CHF 1,000 is added for each additional person forming part of the home or family.

Long term approach – Added caution is required where the loan matures beyond the borrower's retirement age. Documentation relating to the Second Pillar is requested, including the latest certificates evidencing amounts accrued under the retirement plan and simulations going beyond the borrower's retirement age as a way to assess the borrower's ability to meet the mortgage loan obligations beyond the age of 65.

## **Term**

The initial term (if such a term is set out in the respective loan agreement) of a loan cannot exceed 50 years.

## **Property characteristics**

A mortgage loan may only be granted for the following purposes: acquisition, construction, financing of the forward purchase or renovation of a residential property, refinancing of an existing loan or other financing purposes (to be agreed by CAnb Switzerland).

## **Exception to policy**

An override of the criteria is authorised depending on the project's credit quality provided that the transaction is considered, processed and monitored as an Exception To Policy transaction.

## **Documentation quality**

Credit applications are supported by various documents evidencing each application and are kept in CAnb Switzerland's files. All physical files are organised in the same manner and documents are kept in their respective folders.

### *Base documentation*

The base documentation includes the bank relationship opening forms signed by the client and any subsequent updates.

### *Income documentation*

The documentation in support of evidence of income includes:

- the last three salary slips (for salaried employees);
- the annual salary certificate;
- the pension plan certificate (especially in case of withdrawal of the Second Pillar to finance the Property);
- for self-employed persons, the last annual accounts (balance sheet and income statement) or interim accounts if the credit application is submitted mid-year;
- the complete taxable income declaration or the last tax return;
- evidence of all other income if necessary (alimonies received, property income, bonuses etc.);
- evidence of wealth composition (share account statement, title of property ownership);
- evidence of the equity contribution in the property purchase (consent of the pension fund, evidence of ownership etc.).

### *Supporting pledge/charge documentation*

The documentation in support of evidence of the pledge/charge includes:

- the existing mortgage loan contract to be refinanced;
- the loan amortisation schedule of the existing mortgage loan to be refinanced;
- evidence of all other expenses if necessary (for example, alimonies paid out);
- the borrower's last account statements;
- an attestation from the Federal Debt Collection Office.

#### *Property documentation*

The documentation in respect of the property financed refers to the purpose of the loan. In the case of properties located in Switzerland, the documentation includes:

- the original copy of the valuation performed, including all documents supporting such valuation;
- a copy of the extract of the land registry which is no more than 3 months old;
- an extract of the cadastre;
- the insurance policy in respect of the property;
- photos of the interiors and exterior of the property;
- the pre-contractual arrangements, such as an offer if relevant;
- for condominiums, the rules of the condominium (optional);
- in the case of a refinancing of the mortgage loan, the final account of the existing mortgage loan;
- a proof of work completion.

#### *Security documentation*

The security documentation includes all documents, deeds and correspondence in respect of all mortgages, liens, charges and guarantees securing the mortgage loan, namely:

- the credit committee approval;
- the mortgage facility letter together with its enclosures;
- the mortgage facility letter amendments;
- the insurance policies with the related pledge agreements;
- the mortgage bond certificate (*cédule hypothécaire*) or, as the case may be, the mortgage certificate promise (*avis d'instrumentation*) from a public notary;
- all correspondence with the public notary;
- all correspondence with the land registry.

## CANB SWITZERLAND'S ORIGINATION AND SERVICING PROCEDURES

### Processing the credit file

#### *Creating the file in the IT systems*

Once each client application has been checked for conformity with CANb's origination policy, the application is then input into the IT systems by the client's relationship manager at branch level who processes a loan request. This primary input generates the creation of an ongoing credit file. The purpose is to record all data in relation to the borrower, income and expenses, collateral (identification and valuation of collateral), the financing and the security for the mortgage loan.

All data relating to standard loans are captured and automatically printed using automated editing software.

#### *Collecting documentary evidence in support of the physical file*

The client's relationship manager is responsible for opening a physical file at the time of receipt of the application and collecting all documents received from CANb's various departments. Such documents are maintained in a same-colour folder (for example, client relationship opening forms, due diligence committee documents, evidence of affordability, documents relating to the collateral and the respective security and evidence of disbursements).

### **Review of the credit files and credit decisions**

#### *Delegations*

CANb's Board of Directors has the power to authorize credit delegations. Four levels of authority have been designated to make credit decisions:

- The Board of Directors
- The Credit Committee
- The Credit Department
- Bank branches

Upon validation of CANb's internal regulations, the credit delegation is allocated as follows among the different internal stakeholders:

- The Board of Directors
- The Credit Committee, level 2
- The Credit Committee, level 1
- Branches & the Credit Department

Credit decisions are taken by delegation of the Board of Directors. As such, the CEO may delegate any or all of its powers within the limits set by the Board.

In addition to the above chain of delegation, the CEO gives a credit delegation to the following functions:

<b>Function</b>	<b>Conditions</b>
Head of Credit Department	
Head of Credit Management	
Head of Credit Analysis	
Credit analyst	Must be formally in a permanent job position
Branch manager	
Deputy branch manager	
Relationship manager	Must be formally in a permanent job position *

\*At branch level, (namely, branch manager, deputy and relationship manager) the delegation criteria require that the employee has been confirmed in his position following a 3 month probationary period, as well as having passed the relevant internal certification (passport credit).

**Implementation of credit files**

Following the review of the credit file and its approval, the credit file is transferred to the GDC team (loan administration) which will:

- Check the credit file
- Issue the credit documentation (credit facility letter, pledges, general conditions)
- Review and manage the documentation signed by the client
- Take the necessary steps with relevant counterparties in order to secure the collateral
- Ensure that all pre-drawdown conditions are completed
- Register the credit limit and conditions in the information system S2i
- Drawdown the credit facility and transfer the funds
- Follow up on all post-drawdown conditions
- Archive the credit file

The four eyes principle is applied to the process of issuing credit documentation, recording information in S2i, drawdowns and transfers. The Head of GDC is responsible for ensuring that the credit file is completed as per the Bank’s internal policies before drawdown.

**Periodic loan file reviews**

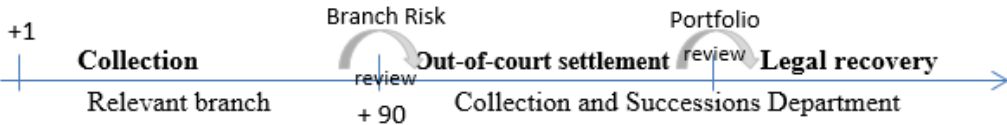
The periodic loan file review is a risk prevention exercise that assists the bank in protecting its interests, if necessary by requiring additional collateral or, as the case may be, mortgage loan repayments. Periodically, the bank reviews each individual obligor’s creditworthiness and the quality of the property in order to identify potential credit risks and seek appropriate protective steps.

**Recovery process**

The recovery process is organized in three stages which defines the overall credit risk control as follows:

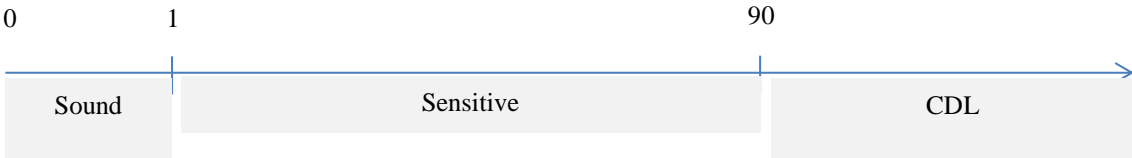
- Collection at the branch level
- Debt collection through a mutual agreement / out-of-court settlement
- Legal recovery of the debt

Roles and responsibilities are typically shared between the branches and the Collection and Succession Department depending on the level of delinquency of the mortgage loan, as follows:



The above mentioned recovery process sets the maximum limits for moving from one action level type to another. Depending on the relevant situation, each client may remain on one level, by derogation. Transfers of clients from one level to another are established during monthly reviews by the committee.

In order to monitor each delinquent mortgage loan, clients are split into 3 distinct categories as follows: Sound, Sensitive or Claim compromised (CDL) depending on the number of days a mortgage loan is delinquent. An automated process handled by the IT system ensures such split:



### Level 1: Collection by Branches

From the first day of delinquency, the client is first flagged as Sensitive, and the collection process is commenced at branch level. The primary aim is to set up an appropriate communication channel with any clients whose mortgage loan is delinquent, in order to assess their overall financial position and encourage him to make any delinquent payments and define an individual instalment solution if need be. This first step of the recovery process falls under the supervision of the branch manager with the support and overview of the Collection department.

Clients will receive three types of reminder letter upon a missed payment, depending on the days past due. The first letter is sent after 10-days' past due, a second after 40- days' past due and the final one after 70-days' past due. Each branch manager will receive a weekly report setting out all clients in the first category, along with detailed information on interest and principal payment arrears. This ensures that each branch has a dedicated risk monitoring process and each client is properly handled. All actions and contacts taken are recorded in the IT System.

On a monthly basis, each client situation is examined during the monthly branch credit risk review meeting in order to determine further actions to be taken or decide on the relevant client's transfer to the Collection and Succession Department. Such branch credit risk review meeting includes relevant people from the Sales Department, the Credit Department, Risk Management and the branch manager. Follow-up measures are discussed, together with a dedicated action plan.

### Level 2: Mutual agreement debt collection phase

If decided by the above credit risk review committee, the relevant client will be moved to the mutual agreement phase. At this point, the relevant client is assigned to a collection manager. The process begins with a client contact, and the aim is to agree on various options to resolve the situation.

At this point, a comprehensive overview of the relevant client's financial position is undertaken, namely, the financial situation of the client and valuation of the mortgage loan collateral. The collection manager is then able to analyse the amount of provisioning for the mortgage loan. This is calculated on an individual basis and is calculated as the mortgage loan outstanding balance net of the valuation estimate after the application of a 20% haircut.

If it is considered unlikely that the client will agree to a mutual debt collection agreement, the collection manager will send a letter of formal notice (*mise en demeure*) with the statement of the arrears and a deadline to pay.

If no payment has been received by this deadline, the respective client is transferred to the legal recovery phase, (this will happen automatically within 1 year of the client first entering the collection phase).

Each client situation will be assessed on a monthly basis, together with the collection manager, during a portfolio review in order to establish further actions, refresh loan loss provision if required, and decide on any transfers to the legal phase. The Risk management department will also participate in the monthly portfolio review meetings.

### Level 3: Legal recovery

Legal proceedings are commenced pursuant to the Swiss Debt Collection and Bankruptcy Act (*loi fédérale suisse sur la poursuite pour dettes et la faillite*). The Collections Department consists of in-house experts with experience in legal enforcement proceedings and property repossession and will remain at all times directly in charge of all the proceedings in Switzerland up to and including the property auction or, alternatively, the delivery of a declaration of insolvency (*acte de défaut de biens*).

The collection manager notifies the client of the termination of the mortgage loan (*avis de dénonciation avec déchéance du terme*), which means that all mortgage loan amounts become immediately due and payable under their respective terms and conditions.

As a result of the termination of the mortgage loan, all obligations of the client are accelerated. The Swiss law governed property lien in the mortgage certificate (*cédule hypothécaire*) securing the mortgage loan is also accelerated simultaneously and in accordance with the above mentioned notification.

At this point, the Bank will commence the enforcement proceedings (*poursuite en réalisation de gage immobilier*) and has between six months and two years from the above notification to the client to request the forced sale of the property, absence opposition from the client.

An update of the property valuation is done by CAnb Switzerland’s property valuation experts before the auction occurs. CAnb Switzerland will define a liquidation value (*valeur de liquidation*), a minimum price for the auction process to kick in, and a maximum price CAnb Switzerland would bid. If the total amount due by the client is higher than the liquidation value, the maximum price is the liquidation value, otherwise, it is the total amount due by the client.

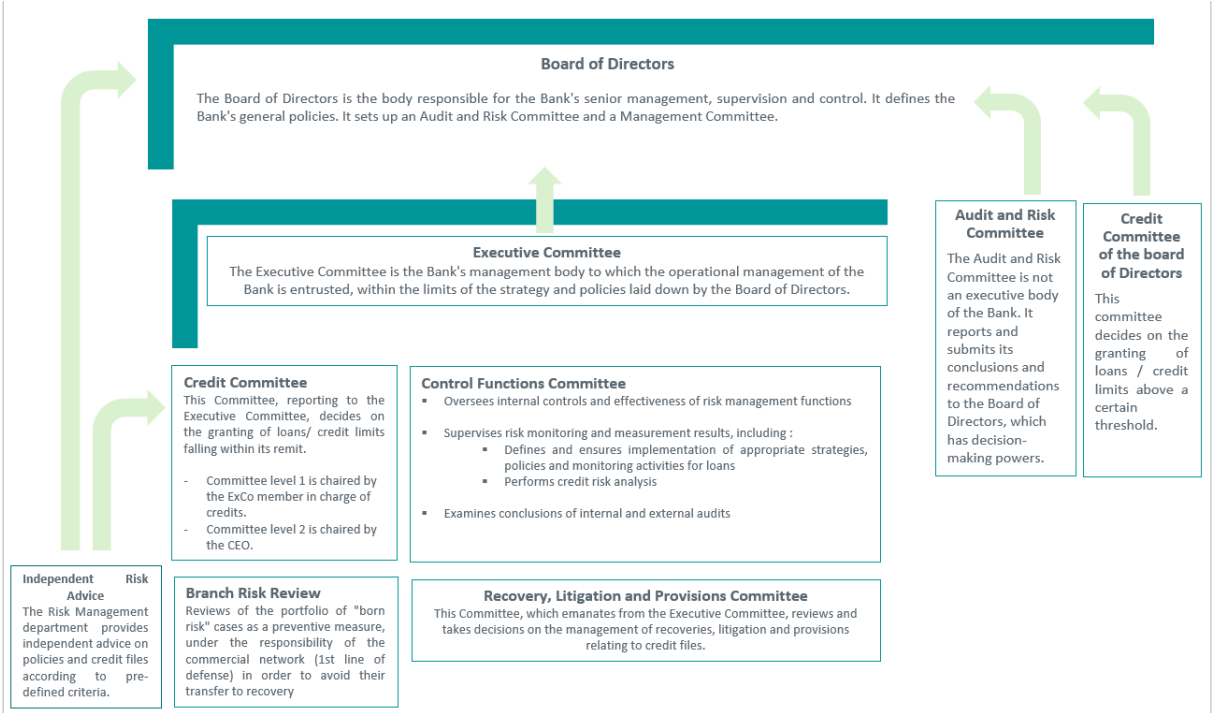
If the property is sold to a third party, CAnb Switzerland will receive the recovery amount from the cantonal recovery office (*office des poursuites*). If the recovery amount is insufficient to cover the total amount due, CAnb Switzerland will be provided with a certificate of insufficiency of pledge (*certificat d’insuffisance de gage*) validating the remaining amount due. CAnb Switzerland is then able to commence personal proceedings (*poursuite personnelle*) against the client to recover the remaining amount due.

If the property is sold to CAnb Switzerland itself, financial movements are internal to CAnb Switzerland (for example, a debit from an internal "buildings" account to credit the client account and refund the debt).

**Credit risk control**

The CAnb Switzerland corporate governance bodies responsible for credit risk are as follows:

- Branch Credit Risk Review (as detailed above)
- Recovery, Litigation and Provisions Committee that reviews and takes decisions on the management of recoveries, litigation and provisions relative to credit files
- Credit Committee that decides on the granting of mortgage loans / credit limits falling within its remit
- Credit Risk Committee that defines monitoring policy for loans, credit risk analysis and monitoring strategies and policies, sits together with Control Functions Committee
- Control Functions Committee that oversees internal controls and effectiveness of risk management functions, supervises risk monitoring and measurement results and examines conclusions of internal and external audits



## SWISS LAW BONDHOLDER PROVISIONS

*The following summary of the Swiss Law Bondholder Provisions is based on the law as in effect in Switzerland as of the date of this Base Prospectus and is subject to change.*

### **Community of Bondholders and Bondholders' Representative**

Holders of bonds issued by a Swiss Issuer in a public offering in Switzerland form a community of bondholders (*communauté des créanciers*) (**Bondholder Community**) by operation of law pursuant to articles 1157 to 1186 CO (the **Bondholder Provisions**). The community of bondholders may also transfer certain powers to a Bondholders' Representative (*représentant de la communauté*) (the **Bondholders' Representative**).

Pursuant to the Bondholder Provisions, each Series of Covered Bonds forms a separate Bondholder Community. Pursuant to Condition 12 (*Appointment of Bondholders' Representative*), each Covered Bondholder has appointed TMF Investments SA as Bondholders' Representative for the matters explicitly stated in the Conditions.

To the extent of such appointment of the Bondholders' Representative, individual Covered Bondholders may not independently exercise any rights. Individual Bondholders may also not independently exercise their rights to the extent a Bondholder Meeting (as defined below) has validly resolved on a matter.

### **Bondholder Meetings**

Resolutions of a Bondholder Community (including each Series of Covered Bonds) are passed at a bondholders' meeting (*assemblée des créanciers*) (**Bondholder Meeting**). The details of the manner of convening the meeting and the proceedings (including publication of notice, agenda, admission, chairman, minutes, recording of resolutions etc.) are regulated in the Federal Ordinance on the Community of Bondholders of 1949 (*Ordonnance sur la communauté des créanciers dans les emprunts par obligations*).

Pursuant to Condition 13 (*Meetings of Covered Bondholders*), the Issuer may convene Meetings at any time and will be obliged to do so within 20 days upon a request in writing from the Bondholders' Representative or by Covered Bondholders representing not less than 5 per cent. of the Principal Amount Outstanding of the relevant Series of Covered Bonds, subject to the Bondholder Provisions and applicable regulations referred to therein.

The invitation to a Bondholder Meeting must be published in accordance with the Conditions of the relevant Series and, pursuant to the Bondholder Provisions, twice in the Swiss Official Gazette of Commerce with the second publication to be made at least ten days prior to such meeting. The agenda for a Bondholder Meeting must be announced at least ten days prior to such meeting in the same manner as the invitation.

Only Covered Bondholders or their proxies will be entitled to attend or vote at a Bondholder Meeting. Covered Bondholders or their representatives that wish to participate in a Bondholder Meeting must provide a certificate from their depository bank or a central clearing agency confirming that the relevant Covered Bonds are blocked for the account of the Covered Bondholder until after the completion of the Bondholder Meeting in a form satisfactory to the Issuer and (if applicable) the Notary Public responsible for the notarisation of the Bondholder Meeting.

In connection with any Bondholder Meeting, in certain circumstances, defined majorities of Covered Bondholders of a Series (that form a Bondholder Community by operation of law) are able to bind all Covered Bondholders of the same Series, including Covered Bondholders that did not attend and vote at such Bondholder Meeting and Covered Bondholders that voted in a manner contrary to the majority. Provided that, the Covered Bondholders of a relevant Series must all be equally affected by any resolution that limits Covered Bondholders' rights under the Covered Bonds, unless every disadvantaged Covered Bondholder expressly agrees to such resolution. Any resolution approved by a Bondholder Meeting that affects the rights of the Issuer also requires Issuer's consent.

In case the Issuer becomes bankrupt, the competent bankruptcy administrator will call a Bondholder Meeting for all Series of Covered Bonds. The Bondholder Meetings so convened will resolve with a simple majority whether to transfer full powers to represent the Covered Bondholders of that Series in the bankruptcy of the Issuer to TMF Investments SA as Bondholders' Representative (or such other Bondholders' Representative(s) then appointed to replace TMF Investments SA) or another representative to ensure that the rights of the Covered Bondholders are enforced in an equal manner. If no decision on the transfer of full powers is reached, each Covered Bondholder will enforce its rights under the Covered Bonds separately.



## Majority Requirements

The required majority of Covered Bondholders at a Bondholder Meeting required to pass a resolution will depend on whether or not the rights of Covered Bondholders are affected by such resolution and, if so, the type of rights affected.

The majority for the resolutions described below will be based on the aggregate principal amount of the relevant Series of Covered Bonds then outstanding determined on the basis of Covered Bonds that confer voting rights (i.e. all Covered Bonds with respect to which the Covered Bondholder is not the Issuer or any of its subsidiaries).

Pursuant to article 1170 CO, the Bondholder Meeting of each Series can resolve on the following measures (or any combination thereof) with respect to such Series with a majority of at least two thirds of the aggregate principal amount of the Covered Bonds of such Series then outstanding:

- (a) moratorium on interest on the Covered Bonds for up to five years, with the option of extending the moratorium twice for up to five years each time;
- (b) forfeiture of up to five years' worth of interest on the Covered Bonds within a seven year period;
- (c) (i) decrease of the interest rate on the Covered Bonds by up to one-half of the interest rate pursuant to the Conditions and the Applicable Final Terms, (ii) conversion of a fixed interest rate on the Covered Bonds into a rate dependent on the business results, in the case of sub-clause (i) and (ii), for a period of up to ten years, with the option of an extension for up to an additional five years;
- (d) a stay with respect to, or an extension of the Final Maturity Date of, the Covered Bonds (or portions thereof) if the Covered Bonds are due or maturing within five years for up to ten years, with the option of an extension for up to an additional five years;
- (e) early redemption of the Covered Bonds (either in whole or in part);
- (f) granting of a priority lien for new capital raised by the Issuer; and/or
- (g) consent to a total or partial conversion of bonds into shares.

The list of measures of article 1170 CO is exhaustive. The Issuer may propose one or more of the foregoing resolutions to a Bondholder Meeting of a particular Series of Covered Bonds and make the approval of each such resolution conditional upon the approval of all such resolutions. In addition, the Issuer may propose one or more of the foregoing resolutions to the Bondholder Meeting of a particular Series of Covered Bonds, but make approval of such resolutions conditional upon the approval of the same resolutions by other Series of Covered Bonds (or other Bondholder Communities of the Issuer (if any)). In such case, approval of such resolutions will require:

- (a) approval by each relevant Series (and other relevant Bondholder Communities of the Issuer) with simple majority (i.e. rather than two-thirds) of the respective outstanding principal amount; and
- (b) approval by the majority of the relevant Series of Covered Bonds (and such other relevant Bondholder Communities of the Issuer (if any)) that approved with a majority of at least two-thirds of the respective outstanding principal amount; and
- (c) approval by at least two third of the outstanding aggregate outstanding principal amount of all relevant Series of Covered Bonds (and all other relevant Bondholder Communities of the Issuer (if any)).

Where a majority cannot be attained at a Bondholder Meeting, the Issuer may collect additional votes within the two months following the date of the Bondholder Meeting.

Unless an unanimous decision is reached, a resolution of the Bondholder Meeting regarding any of the measures set out above must be approved by the superior cantonal composition authority, which in case of the Issuer will be the Court of Justice of the Canton of Geneva (*Cour de justice*), in order to become effective and binding on non-consenting Covered Bondholders (and holders of other Bondholder Communities of the Issuer (if any)). The Issuer must submit such resolutions to the court for approval within one month of their adoption by a Bondholders' Meeting.

Any other resolutions that limit the rights of Covered Bondholders by amending, or forfeiting rights under, the Covered Bonds may only be passed by unanimous resolution.

In the case of resolutions that do not limit Covered Bondholders' rights under the Covered Bonds, the approval of more than half of the outstanding aggregate principal amount of the Covered Bonds actually represented at a meeting of Covered Bondholders of the relevant Series is sufficient to approve such resolution, and no approval by the superior cantonal composition authority will be required.

The revocation of TMF Investments SA as Bondholders' Representative (which is different from its role as Trustee) with respect to a Series of Covered Bonds requires a majority of the votes of the Covered Bondholders of such Series at a Bondholders Meeting and Issuer's consent.

Following revocation of TMF Investments SA as Bondholders' Representative, each Series of Covered Bonds may appoint a new Bondholders' Representative with a majority of the votes of the Covered Bondholders of such Series at a Bondholders Meeting.

## TAXATION IN SWITZERLAND

*The following is a summary of certain Swiss tax consequences of the purchase, beneficial ownership and disposition of the Covered Bonds. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Covered Bonds. The summary relates only to the position of persons who are the absolute beneficial owners of the Covered Bonds and may not apply to certain other classes of persons. The summary is based upon Swiss tax laws and tax practice as in effect on the date of this Base Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Covered Bonds should consult their own advisors as to the Swiss or other tax consequences of the purchase, beneficial ownership and disposition of the Covered Bonds.*

### **Taxation with respect to the Transaction**

#### ***Guarantor***

##### *Corporate Income and Capital Tax*

The Guarantor is liable to an annual federal, cantonal and communal corporate income tax at the aggregate statutory rate of currently about 16.3 per cent. (equalling an effective tax rate of about 14 per cent.).

The Guarantor is moreover liable to an annual cantonal and communal corporate capital tax at the aggregate statutory and effective rate of currently about 0.4 per cent. The reduced statutory and effective capital tax rate of 0.01% is applicable on the portion of the equity that corresponds to participation, patent and intragroup loans. No debt of the Guarantor should be reclassified as equity and no dealings to which the Guarantor is a party should be reclassified as constructive dividends or constructive contributions to capital. The Guarantor's taxable equity for each fiscal year should therefore be equal to its equity as per the annual statutory financial statements. We estimate that the annual tax on the taxable equity of the Guarantor will not be material.

##### *Municipal Business Tax*

Certain Swiss municipalities, including the municipality of Lancy, levy an annual business tax from legal entities resident within their territory. This tax consists of three elements, i.e. a levy of between 0.01 and 0.6% on the total revenue (depending on the business activity), 0.5% of the rent paid and CHF 10 for each employee of the entity in the municipality of Lancy.

##### *Withholding tax on Cover Pool Assets*

Interest received by the Guarantor on its bank accounts and interest received by a the Guarantor from a Swiss domestic borrower (*débiteur suisse*) on Authorised Investments and Substitute Assets may be subject to Swiss federal withholding tax, currently at the rate of 35 per cent. The Swiss withholding tax is fully refundable to the Guarantor subject to the Guarantor meeting certain requirements, as set out below under “—*Swiss Federal Withholding Tax*”.

##### ***Liquidation of Cover Pool Assets***

The sale of real property upon enforcement of the Transferred Mortgage Certificates and the underlying real property may be subject to real property transfer tax as well as a tax on capital gains realized upon such sale of real property (real property capital gains tax or corporate income tax, depending on the canton in which the real property is located and the person selling the real property) and the sale of Substitute Assets upon enforcement in Substitute Assets may be subject to Swiss federal stamp duty on dealings in securities.

### **Swiss Federal Withholding Tax**

Payments of interest on Covered Bonds (periodic, as original issue discount or premium upon redemption) and payment of corresponding Guaranteed Amounts pursuant to the Guarantee will be subject to Swiss federal withholding tax, currently at the rate of 35 per cent. Certain types of Covered Bonds issued by the Issuer may classify as notes with a “predominant one-time interest payment” (*obligations à intérêt unique prédominant*). See “—*Income Taxation on Principal or Interest*” below for further details. A “one-time interest payment” will be subject to Swiss federal withholding tax upon redemption of the Covered Bonds.

The holder of a Covered Bond, residing in Switzerland who, at the time the payment of interest is due, is the beneficial owner of the payment of interest and, in the case of a holder who is an individual, duly reports the gross payment of interest in the tax return and, in the case of a holder who is a legal entity or an individual required to keep accounting books, includes such payment as earnings in the income statement, is entitled to a full refund of or a full tax credit for the Swiss federal withholding tax. A holder of a Covered Bond, who is not resident in Switzerland may be able to claim a full or partial refund of the Swiss federal withholding tax by virtue of the

provisions of an applicable double taxation treaty, if any, between Switzerland and the country of residence of such holder. Holders of Covered Bonds should be aware that the procedures for claiming treaty benefits (and the time frame required for obtaining a tax refund) may differ from country to country. The forms for claiming a refund together with instruction forms may be downloaded from the Swiss Federal Tax Administration's website.

### **Special Swiss federal and cantonal or communal source income tax on loans secured by interests in real property**

Payments of interest on the Covered Bonds by the Issuer, failing which by the Guarantor under the Guarantee, will not be subject to the special Swiss federal and cantonal or communal income taxes levied on payments of interests on loans secured by interests in real property situated in Switzerland at source (hereinafter source income taxes) because the Covered Bonds do not benefit from direct security over the Cover Pool Assets or any other assets of the Guarantor, and the interest payments on the Covered Bonds are subject to Swiss federal withholding tax.

Interest payments by Mortgage Debtors to the Originator or the Guarantor, as the case may be, will also not be subject to such special source income taxes because both the Originator and the Guarantor are resident in Switzerland.

### **Swiss federal stamp duty**

The issue of Covered Bonds by the Issuer to the initial investors on the issue day and the issue of the Guarantee by the Guarantor will not be subject to Swiss federal stamp duty on the turnover of securities.

Secondary market dealings in Covered Bonds with a maturity in excess of 12 months where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party or acts as an intermediary to the transaction may be subject to Swiss federal stamp duty on the turnover of securities at a rate of up to 0.15 per cent. of the purchase price of the Covered Bonds.

### **Income Taxation on Principal or Interest**

#### ***Covered Bonds held by non-Swiss Holders***

Payments of interest and repayment of principal by the Issuer, failing which by the Guarantor, to, and gain realised on the sale or redemption of Covered Bonds by, a holder of Covered Bonds who is not a resident of Switzerland and who during the current taxation year has not engaged in trade or business through a permanent establishment or a fixed place of business in Switzerland to which such Covered Bond is attributable will not be subject to any Swiss federal, cantonal or communal income tax in respect of Covered Bonds. As concerns the Swiss federal withholding tax, see above "*—Swiss Federal Withholding Tax*", as concerns the international automatic exchange of information in tax matters, see below under "*—International Automatic Exchange of Information in Tax Matters*" and as concerns the Swiss facilitation of the implementation of FATCA, see below under "*—Swiss Facilitation of the Implementation of the U.S. Foreign Account Tax Compliance Act*".

#### ***Covered Bonds held as private assets by a Swiss resident Holder***

Covered Bonds without a "predominant one-time interest payment"

Covered Bonds are classified as notes "without a predominant one-time interest payment" if their yield-to-maturity is predominantly derives from periodic interest payments and not from a one-time-interest-payment such as an original issue discount. A holder of a Covered Bond so classified who is an individual resident in Switzerland and who holds such Covered Bond as a private asset is required to include all payments of interest on such Covered Bonds converted into Swiss Francs at the exchange rate prevailing at the time of the payment, as the case may be, in their personal income tax return for the relevant tax period and will be taxable on any net taxable income (including the (converted) payments of interest on the Covered Bonds) for such tax period at the then prevailing tax rates. A gain, including, *inter alia*, a gain relating to interest accrued or foreign exchange rate appreciation and a loss, respectively, realised on the sale or redemption of Covered Bonds is a tax-free private capital gain and a non-tax-deductible private capital loss, respectively.

Covered Bonds with a "predominant one-time interest payment"

Covered Bonds are classified as notes with a "predominant one-time interest payment" if their yield-to-maturity of a Covered Bond predominantly derives from a one-time interest payment such as an original issue discount or a repayment premium and not from periodic interest payments. A holder of a Covered Bond so classified who is an individual resident in Switzerland and who holds such Covered Bond as a private asset is required to include in his or her personal income tax return for the relevant tax period any periodic and non-periodic interest payments received on the Covered Bonds and, in addition, any amount equal to the difference

between the value of the bond at redemption or sale, as applicable, and the value of the bond at issuance or secondary market purchase, as applicable, realised on the sale or redemption of such bond, and in each case, if applicable, converted into Swiss Francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, and will be taxable on any net taxable income (including such amounts, i.e. in each case of sale or redemption including, inter alia, any gain relating to interest accrued and foreign exchange rate appreciation) for the relevant tax period. Any decrease in value realised on such a Covered Bond on sale or redemption may be offset by such a holder against any gains (including periodic interest payments) realised by him or her within the same taxation period from other instruments with a predominant one-time interest payment.

#### ***Covered Bonds held as Swiss business assets and by private persons classified as professional securities dealers***

Individuals who hold Covered Bonds as part of a business in Switzerland and Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding Covered Bonds as part of a Swiss permanent establishment or fixed place of business in Switzerland, are required to recognise the payments of interest and any capital gain or loss realised on the sale or other disposition of such Covered Bonds in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealings and leveraged investments in securities.

#### ***Swiss Cantonal/Communal Wealth Tax and Capital Tax***

##### ***Covered Bonds held by holders resident outside of Switzerland and with no trade or business in Switzerland***

Holders of Covered Bonds who are not resident in Switzerland for tax purposes and who, during the respective taxation year, have not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Covered Bonds are attributable and who are not subject to Swiss cantonal/communal wealth or capital taxation in Switzerland for any other reason will in respect of such Covered Bonds not be subject to annual Swiss cantonal/communal wealth or capital tax.

##### ***Covered Bonds held by Swiss resident individuals as private investments or as assets of a Swiss business***

Swiss resident individuals, who hold Covered Bonds as private investment or as assets of a Swiss business, are required to report their Covered Bonds as part of their wealth or as part of their Swiss business assets, as the case may be, and are subject to annual Swiss cantonal/communal private wealth tax on any net taxable wealth (including Covered Bonds), in the case of Covered Bonds held as assets of a Swiss business, to the extent the aggregate taxable wealth is allocable to Switzerland. No wealth tax is levied at the federal level.

##### ***Covered Bonds held by corporate taxpayers***

Corporate taxpayers who hold Covered Bonds as part of a trade or business carried on in Switzerland are required to report Covered Bonds as part of their assets in their financial statements and are subject to cantonal/communal capital tax on net taxable equity to the extent the aggregate taxable capital is allocable to Switzerland. No capital tax is levied at the federal level.

### **Automatic Exchange of Information in Tax Matters**

Switzerland has concluded a multilateral agreement with the EU on the international automatic exchange of information (AEOI) in tax matters, which applies to all EU member states. In addition, Switzerland signed the multilateral competent authority agreement on the automatic exchange of financial account information (MCAA), and a number of bilateral AEOI agreements with a number of other countries, most of them on the basis of the MCAA. Based on such agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets held in, and income derived thereon and credited to, accounts or deposits (including Covered Bonds held in such accounts or deposits) with a paying agent in Switzerland for the benefit of individual resident in any EU member state or other treaty state. An up-to-date list of the AEOI agreements to which Switzerland is a party that are in effect or signed but not yet in effect can be found on the website of the State Secretariat for International Financial Matters SIF.

### **Swiss Facilitation of the Implementation of FATCA**

Switzerland has concluded an intergovernmental agreement with the U.S. to facilitate the implementation of FATCA. The agreement ensures that the accounts held by U.S. persons with Swiss financial institutions are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland. Information will not be transferred automatically in the absence of consent, and instead will be exchanged only within the scope of administrative assistance on the basis of the double taxation agreement between the U.S. and Switzerland (the **Treaty**). On 20 September 2019, Switzerland and the United States ratified the 2009

protocol (the **Protocol**) amending the Treaty. Upon the subsequent exchange of the ratification instruments, the amended Treaty entered into force. The Protocol introduced a mechanism for the exchange of information upon request in tax matters between Switzerland and the United States, which mechanism is in line with international standards and allows the United States to make group requests under FATCA concerning non-consenting U.S. accounts and non-consenting non-FFIs for periods from 30 June 2014. Furthermore, on 8 October 2014, the Swiss Federal Council approved a mandate for negotiations with the United States regarding a change from the current direct notification-based regime to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. It is not yet known when negotiations will continue or when any new regime would come into force. For further information on FATCA, see above under “—Risks relating to the Programme Legal and Regulatory Matters - Payments under the Covered Bonds may be subject to U.S. Foreign Account Tax Compliance Withholding”.

## SUBSCRIPTION AND SALE

Subject to all legal and regulatory requirements, Covered Bonds may be issued from time to time by the Issuer to any one or more of the Dealers or to any other person. The arrangements under which Covered Bonds may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in the programme agreement (as the same may be supplemented, amended and/or restated from time to time, the **Programme Agreement**) dated as of the date hereof. Any such agreement for the issue and subscription of Covered Bonds will, *inter alia*, cover the price of the Covered Bonds, any commissions or other deductibles in respect of the Covered Bonds, the Form of the Covered Bonds, any other commercial terms of the issue and subscription of the Covered Bonds themselves, and any syndication or underwriting of the issue. The Programme Agreement makes provision for the resignation or renewal of existing Dealers and the appointment of additional or other Dealers, either generally in respect of the Programme or in relation to a particular Series or Tranche of Covered Bonds. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to subscribe for and purchase Covered Bonds under the Programme Agreement in certain circumstances prior to payment to the Issuer.

One or more Dealers may purchase Covered Bonds, as principal, from the Issuer from time to time for resale to Investors and other purchasers at a fixed offering price or, if so specified in the Applicable Final Terms, at varying prices relating to prevailing market prices at the time of resale as determined by any Dealer.

A Dealer may sell Covered Bonds it has purchased from the Issuer as principal to certain other dealers less a concession equal to all or any portion of the discount received in connection with such purchase. The Dealer may allow, and such dealers may re-allow, a discount to certain other dealers. After the initial offering of Covered Bonds, the offering price (in the case of Covered Bonds to be resold at a fixed offering price), the concession and the reallowance may be changed.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Covered Bonds in whole or in part.

Under the Programme Agreement, the Issuer has agreed to indemnify the Dealers against certain liabilities (including liabilities under the Securities Act) or to pay on demand all costs the Dealers may be required to make in respect thereof in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme. The Issuer has also agreed to reimburse the Dealers for certain other expenses in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme.

The Dealers may, from time to time, purchase and sell Covered Bonds in the secondary market, but they are not obliged to do so, and there can be no assurance that there will be a secondary market for the Covered Bonds or liquidity in the secondary market if one develops. From time to time, the Dealers may make a market in the Covered Bonds.

## SELLING RESTRICTIONS

### General

Persons who receive this Base Prospectus are required by the Issuer, the Guarantor, the Arranger and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Covered Bonds or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of any Covered Bonds under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer, the Guarantor, the Trustee, the Arranger nor any Dealer shall have responsibility therefor. In accordance with the above, any Covered Bonds purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer or the Guarantor being obliged to register any further prospectus or corresponding document relating to the Covered Bonds in such jurisdiction.

In particular, but without limiting the generality of the preceding paragraph, and subject to any amendment or supplement which may be agreed with the Issuer and the Guarantor in respect of any particular Series or Tranche, each purchaser of Covered Bonds must comply with the restrictions described above, except to the extent that, as a result of changes in, or in the official interpretation of, any applicable legal or regulatory requirements, non-compliance would not result in any breach of the requirements set forth in the preceding paragraph.

### United States

The Covered Bonds have not been and will not be registered under the U.S. Securities Act (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Covered Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Covered Bonds on a syndicated basis, the relevant lead manager, of all Covered Bonds of the Tranche of which such Covered Bonds are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Covered Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Until 40 days after the commencement of the offering of any Tranche of Covered Bonds, an offer or sale of such Covered Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the U.S. Securities Act.

### Notice to Potential Investors in the European Economic Area

In relation to each Member State of the European Economic Area (the **EEA**) (each, a **Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds that are subject to the offering contemplated by this Base Prospectus as completed, as modified, supplemented and/or replaced by the Applicable Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Covered Bonds to the public in that Member State:

- (a) At any time to any legal entity that is a qualified investor as defined in the Regulation (EU) 2017/1129 (the Prospectus Regulation);
- (b) At any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or



(c) At any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in clauses (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For purposes of this provision, the expression an **offer of Covered Bonds to the public** in relation to any Covered Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

#### **Prohibition of Sales to EEA Retail Investors**

If the applicable Final Terms specify the “Prohibition of sales to EEA retail investors” as “Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds that are the subject of the offering contemplated by this Base Prospectus as completed, as modified, supplemented and/or replaced by the Applicable Final Terms in relation thereto to any retail investor in the EEA.

For purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, **MiFID II**);
  - (ii) a customer within the meaning of the Insurance Distribution Directive (Directive 2016/97/EU), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

#### **Notice to Potential Investors in the United Kingdom**

In relation to the United Kingdom (the **UK**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds that are subject to the offering contemplated by this Base Prospectus as completed, as modified, supplemented and/or replaced by the Applicable Final Terms in relation thereto to the public in the UK except that it may make an offer of such Covered Bonds to the public in the UK:

- (a) At any time to any legal entity that is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the EUWA);
- (b) At any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) At any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in clauses (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

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

## Prohibition of Sales to UK Retail Investors

If the applicable Final Terms specify the “Prohibition of sales to UK retail investors” as “Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds that are the subject of the offering contemplated by this Base Prospectus as completed, as modified, supplemented and/or replaced by the Applicable Final Terms in relation thereto to any retail investor in the UK.

For purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA);
  - (ii) a customer within the meaning of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

## Other regulatory restrictions

In relation to each Tranche of Covered Bonds, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) Financial Promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which section 21(1) of the FSMA does not or, in the case of the Issuer, would not if it was not an authorised person, apply to the Issuer or the Guarantor; and
- (c) Global Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme by the Issuer and the issue of Covered Bonds was authorised by the board of directors of CAnb Switzerland on 22 July 2020, 20 July 2021, 26 July 2022 and 18 July 2023. The giving of the Guarantee was duly authorised by resolutions of the Board of Directors of the Guarantor passed on 18 August 2020, 15 July 2021, 15 July 2022 and 19 July 2023. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Covered Bonds.

### Listing, Admission to Trading and Representation

Each Tranche of Covered Bonds may be admitted to trading and listing on SIX Swiss Exchange or may be unlisted. A Tranche of Covered Bonds may also be admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer(s). The specific terms of any admission to trading and listing of any Tranche of Covered Bonds will be set out in the Applicable Final Terms.

In connection with each Tranche of Covered Bonds to be admitted to trading and listed on SIX Swiss Exchange, in accordance with article 58a of the SIX Listing Rules, the Issuer will appoint a representative as set out in the relevant Applicable Final Terms to file the application with SIX Exchange Regulation AG in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of such Covered Bonds on SIX Swiss Exchange.

### Clearing System

The Covered Bonds have been accepted for clearance through SIX SIS AG or any successor organisation or system. The address of SIX SIS is SIX SIS AG, Baslerstrasse 100, CH-4600 Olten, Switzerland.

### Dealers transacting with the Issuer and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking, commercial banking and/or other related transactions with, and may perform services to the Issuer, the Guarantor and their affiliates and may perform services for them, in each case in the ordinary course of business.

### Post-Issuance Transaction Information

The Issuer does not intend to provide any post-issuance transaction information, except as required by any applicable laws and regulations or the Transaction Documents.

## GLOSSARY OF DEFINED TERMS

Except where the context otherwise requires, the following defined terms used in the Transaction Documents and herein will have the meanings set out below:

<b>1170 CO Resolutions</b>	has the meaning given to it on page 46 of this Base Prospectus.
<b>2022 CANb Switzerland Annual Report</b>	has the meaning given to it on page 54 of this Base Prospectus.
<b>30/360</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Accession Undertaking</b>	means a form of accession undertaking substantially in the form set out in the Intercreditor Agreement.
<b>Account Bank</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Account Bank Downgrade Event</b>	means the loss by the Account Bank of the applicable Minimum Account Bank Rating, resulting in the Account Bank having neither the applicable short-term nor the applicable long-term ratings.
<b>Account Bank Report</b>	means the report prepared by the Cash Manager and made available to the Guarantor, the Trustee, the Servicer and the Rating Agency substantially in the form set out in the Cash Management Agreement.
<b>Account Bank's Online Banking System</b>	means the online banking system of the Account Bank.
<b>Accumulation Interest Required Amount</b>	means the Scheduled Interest due (i) in the Guarantor Payment Period commencing on the relevant Guarantor Payment Date and (ii) in the next two Guarantor Payment Periods immediately following such Guarantor Payment Period.
<b>Accumulation Series of Covered Bonds</b>	Means a Series of Covered Bonds for which there is no Cover Pool Swap in place and which does not have any monthly Interest Payment Dates.
<b>Accrued Obligations</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Adjusted Aggregate Relevant Mortgage Loan Amount</b>	has the meaning given to it on page 155 of this Base Prospectus.
<b>Adjusted Current Balance</b>	has the meaning given to it on page 155 of this Base Prospectus.
<b>Adjusted Required Sale Amount</b>	has the meaning given to it on page 122 of this Base Prospectus.
<b>Adjusted Swap Required Amount</b>	has the meaning given to it on page 122 of this Base Prospectus.
<b>Affected Mortgage Assets</b>	means from time to time, any and all (i) Assigned Mortgage Claims and (ii) Transferred Mortgage Certificates affected by the occurrence of a Substitution Event.
<b>Affiliates</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>AEOI</b>	has the meaning given to it on page 181 of this Base Prospectus.
<b>Agency Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Agent</b>	means each of the Paying Agents.
<b>Aggregate Principal Amount Outstanding</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>All Relevant Mortgage Loans</b>	means all Relevant Mortgage Loans of a Mortgage Debtor which relate to the same Property.
<b>Amortisation Test</b>	has the meaning given to it on page 159 of this Base Prospectus.
<b>Amortisation Test Aggregate Relevant Mortgage Loan Amount</b>	has the meaning given to it on page 159 of this Base Prospectus .
<b>Ancillary Rights</b>	means (i) any and all preferential or ancillary rights ( <i>droits de préférence et droits accessoires</i> ) attached to or associated with an Assigned Mortgage Claim according to article 170 CO (including, without limitation, any and all claims for contractual and default interest, whether in arrears, accrued or accruing in the future thereon), (ii) any and all Breakage Costs, (iii) any and all claims for compensation, reminder charges, for indemnification and out of unjust enrichment resulting from or in connection with an Assigned Mortgage Claim, and (iv) any and all obligations assumed by a Security Provider under a Security Transfer Agreement in relation to a Mortgage Certificate Claim represented by the relevant Transferred Mortgage Certificate, including without limitation the Mortgage Certificate Claim ( <i>créance de la cédule hypothécaire</i> ).
<b>Appendix</b>	has the meaning given to it on page 105 of this Base Prospectus.
<b>Applicable Final Terms</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Applicable Law</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Appointee</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Arrears</b>	means, for any Relevant Mortgage Loan at any date, interest or other amounts which are overdue in respect of that Relevant Mortgage Loan.
<b>Arrears Adjusted Current Balance</b>	has the meaning given to it on page 156 of this Base Prospectus.
<b>Articles of Incorporation</b>	has the meaning given to it on page 113 of this Base Prospectus.
<b>Asset Coverage Test</b>	has the meaning given to it on page 155 of this Base Prospectus.
<b>Initial Asset Monitor</b>	has the meaning given to it on page 14 of this Base Prospectus.
<b>Asset Monitor Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Asset Monitor Fee</b>	has the meaning given to it on page 147 of this Base Prospectus
<b>Asset Monitor Report</b>	means the report prepared by the Asset Monitor substantially in the form set out in the Asset Monitor Agreement
<b>Asset Monitor Report Recipients</b>	has the meaning given to it on page 147 of this Base Prospectus.
<b>Asset Percentage</b>	has the meaning given to it on page 157 of this Base Prospectus.
<b>Assigned Mortgage Claims</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Assignee</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>Assignor</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Auditors</b>	means in respect of both CANb Switzerland and the Guarantor, Ernst & Young SA, Lancy branch, or such other auditors appointed by the shareholders of the Issuer and the Guarantor, respectively, from time to time.
<b>Authorised Investments</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Authorised Signatory</b>	means, unless provided for otherwise in any Transaction Document, (i) with respect to the Guarantor, (x) any two Persons authorised to sign for the Guarantor according to the commercial register of the canton of Geneva and (y) each Person which has been duly authorised by the Guarantor to give instructions in relation to a Guarantor Bank Account to the Account Bank and to have access rights to the Account Bank's Online Banking System and whose name and, if applicable, specimen signature is recorded in the Schedule Of Authorised Signatories. If a Person has only been authorised by the Guarantor to give instructions in relation to a Guarantor Bank Account collectively with another Authorised Signatory, such Person shall only be considered an Authorised Signatory if and to the extent it is acting collectively with another Authorised Signatory and (ii) with respect to the Issuer, any two of the signatories as registered from time to time in the commercial registers of the canton of Geneva and any signing officers in rank of vice president or higher of CANb Switzerland to execute and deliver such agreements and documents as may be necessary or appropriate in connection with the Programme and the incorporation of CANb (Suisse) Hypothèques SA.
<b>Available Funds</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Bank</b>	means (i) any Swiss bank, (ii) any branch of a foreign bank which is duly authorised to carry on business as a banking institution in Switzerland and (iii) the Swiss National Bank.
<b>Base Prospectus</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Basel III Framework</b>	means "Basel III: A global regulatory framework for more resilient banks and banking systems" published by the Basel Committee on Banking Supervision.
<b>BCBS</b>	has the meaning given to it on page 51 of this Base Prospectus.
<b>BIO-FINMA</b>	means the Swiss Federal Ordinance of the Swiss Financial Market Supervisory Authority on the Insolvency of Banks and Securities Dealers of 30 August 2012, as amended from time to time.
<b>Board of Directors</b>	Means the board of directors ( <i>conseil d'administration</i> ) of the Guarantor.
<b>Board Regulations</b>	has the meaning given to it on page 114 of this Base Prospectus.
<b>Bondholder Community</b>	has the meaning given to it on page 176 of this Base Prospectus.
<b>Bondholder Meeting</b>	has the meaning given to it on page 176 of this Base Prospectus.
<b>Bondholder Provisions</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Bondholders' Representative</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>Breakage Cost</b>	means any and all claims for compensation payable by the Mortgage Debtor pursuant to the relevant Mortgage Credit Agreement for (i) early termination of a Mortgage Credit Agreement, or (ii) early redemption of an Assigned Mortgage Claim.
<b>Breach of Test Notice</b>	has the meaning given to it on page 155 of the Base Prospectus.
<b>Broken Amount</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Business Day</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Calculation Amount</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Calculation Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>CAnb Switzerland Directors</b>	means the non-independent directors of CAnb (Suisse) Hypothèques SA.
<b>CAnb Switzerland Group</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>CAnb Switzerland Restructuring Proceedings</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> )
<b>Cash Management Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cash Management Fee</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Cash Management Services</b>	has the meaning given to it on page 143 of this Base Prospectus.
<b>Cash Manager</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cash Manager Downgrade Event</b>	means a downgrade of the Cash Manager's Fitch Long-Term Issuer Default Rating below 'BBB-'.
<b>Cash Manager Termination Event</b>	means the occurrence of any of the following events: <ul style="list-style-type: none"> <li>(a) default by the Cash Manager in the payment on the due date of any payment to be made by it on behalf of the Guarantor under this Agreement or the other Transaction Documents (subject to funds being available for the same) and such default continues unremedied for a period of three (3) Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Guarantor (copied to the Trustee) or the Trustee requiring the same to be remedied; or</li> <li>(b) default is made by the Cash Manager in the performance of its obligations under the terms of the Master Bank Account Agreement and/or the terms of the Cash Management Agreement and such default continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Guarantor (copied to the Trustee) or the Trustee requiring the same to be remedied; or</li> <li>(c) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement or the other Transaction Documents, which in the opinion of the Trustee is materially prejudicial to the interests of the Covered Bondholders and such default continues</li> </ul>

	<p>unremedied for a period of 30 days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Guarantor (copied to the Trustee) or the Trustee requiring the same to be remedied;</p> <p>(d) an Insolvency Event occurs in respect of the Cash Manager, then the Guarantor may at once or at any time thereafter while such default or event continues by notice in writing to the Cash Manager (with a copy to the Trustee) terminate its appointment as Cash Manager under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice; or</p> <p>(e) a Cash Manager Downgrade Event.</p>
<b>CC</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Certificate of Shortfall</b>	means a (provisional or definitive) official confirmation of a loss upon the enforcement of a mortgage loan through either a " <i>certificat d'insuffisance de gage</i> " or a " <i>acte de défaut de biens</i> ", each as defined in the DEBA.
<b>CET</b>	means Central European Time.
<b>Chairman</b>	means the chairman of the board of directors of the Guarantor.
<b>CHF or Swiss Francs</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>CHF Equivalent</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Clause</b>	means a clause of the relevant Transaction Document.
<b>CO</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Collateral Differential</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Collateral Holding Agent</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Collateral Holding Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Collected Mortgage Payments</b>	<p>means the combined amount of:</p> <p>(a) any Mortgage Payment received, directly or indirectly, by the Assignor or the Assignee by way of wire transfer to the Cover Pool Bank Account on the date falling one Business Day after the next Test Date or in accordance with the terms of the Security Assignment Agreement; and</p> <p>(b) if and to the extent an Assigned Mortgage Claim has been discharged by way of set-off, any wire transfer of a corresponding amount to the Cover Pool Bank Account on the date falling one Business Day after the next Test Date or in accordance with the terms of the Security Assignment Agreement.</p>
<b>Commercial Register</b>	means the competent commercial register ( <i>registre du commerce</i> ).
<b>Conditions</b>	means the terms and conditions of the Covered Bonds, as set out in section " <i>Terms and Conditions of the Covered Bonds</i> " of the Base Prospectus.
<b>Construction Loan</b>	means the product type which CAnb Switzerland grants for the purpose of financing construction or renovation of real estate.



<b>Corporate Services</b>	has the meaning given to it on page 144 of this Base Prospectus.
<b>Corporate Services Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Corporate Services Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cover Pool</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cover Pool Assets</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cover Pool Bank Account</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cover Pool Custody Account</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cover Pool General Ledger</b>	means the ledger where all amounts standing to the credit of the Cover Pool Bank Account will be recorded.
<b>Cover Pool Report</b>	means a report submitted by the Assignor to the Assignee on each Test Date (substantially in the form set out in the Security Assignment Agreement), containing the Minimum Value of Assigned Mortgage Claims and setting out the calculation and further details of the Asset Coverage Test and the Interest Coverage Test or, following the occurrence of a Guarantee Activation Event, the Amortisation Test.
<b>Cover Pool Revenues</b>	means any and all Mortgage Payments and other revenues and profit accruing on the Cover Pool Assets during the relevant Calculation Period.
<b>Cover Pool Swap</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Cover Pool Swap Provider</b>	means the Initial Swap Provider or any Replacement Cover Pool Swap Provider, in each case in its capacity as cover pool swap provider to the Guarantor under a Swap Agreement (if appointed following the date hereof).
<b>Covered Bond Swap</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> )
<b>Covered Bond Swap Provider</b>	means the Initial Swap Provider (if appointed following the date hereof) or any Replacement Covered Bond Swap Provider providing services under a Covered Bond Swap in its capacity as covered bond swap provider to the Guarantor under a Swap Agreement (if any).
<b>Covered Bondholder</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Covered Bonds</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Covered Bond Swap</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Credit Risk</b>	means the risk of a loss that occurs due to default by a business partner or the downgrading of a business partner's credit rating. The term "credit risk" also includes replacement risk and settlement risk
<b>Current Balance</b>	means, for any Relevant Mortgage Loan or any Non Transferred Mortgage Loan, as the case may be, as at any given date, the aggregate (but avoiding double counting) of: <ul style="list-style-type: none"> <li>(a) the current principal amount advanced to the relevant Mortgage Debtor; and</li> <li>(b) any interest due under the Relevant Mortgage Loan or any Non Transferred Mortgage Loan, as the case may be; and</li> </ul>

	(c) any other amount assigned which is due and which has not been paid by the relevant Mortgage Debtor.
<b>Current LTV</b>	has the meaning given to it on page 129 of this Base Prospectus.
<b>Cut-off Date</b>	means the last day of each month and if such day is not a Business Day, the immediately preceding Business Day.
<b>Day Count Fraction</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Dealer or Dealers</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>DEBA</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Defaulted Mortgage Claim</b>	means an Assigned Mortgage Claim to which the relevant Mortgage Debtor is in default of payment for more than 90 days.
<b>Deferred Collateral Differential</b>	means the amount of Collateral Differential at any given point in time, which has remained unpaid in accordance with the terms of the Guarantee Mandate Agreement and the applicable Priority of Payments.
<b>Deposit Set-Off Amount</b>	has the meaning given to it on page 157 of this Base Prospectus.
<b>Determination Date(s)</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Determination Period</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Discharge Event</b>	means any discharge in full of all Assigned Mortgage Claims, secured by the same Transferred Mortgage Certificate, by the relevant Mortgage Debtor or any Person acting on its behalf, by way of repayment, set-off, enforcement of Transferred Mortgage Certificates or otherwise.
<b>Discharged Mortgage Certificates</b>	means, upon the occurrence of a Discharge Event, any Related Mortgage Certificate, provided that in relation to the specific Property encumbered by such Related Mortgage Certificate, (i) the aggregate face amount of the remaining Related Mortgage Certificates (excluding such Discharged Mortgage Certificates) shall at all times equal or exceed the aggregate amount of (y) any or all outstanding Assigned Mortgage Claims against the relevant Mortgage Debtor secured by the remaining Related Mortgage Certificates and (z) all Eligible Mortgage Claims which are held by the Originator against the relevant Mortgage Debtor and which are to be transferred by the Originator to the Guarantor in accordance with Clause 4(a) of the Servicing Standards, and (ii) the specific Related Mortgage Certificate shall not rank prior to any remaining Related Mortgage Certificates securing any outstanding Assigned Mortgage Claims against the relevant Mortgage Debtor.
<b>Documents Incorporated by Reference</b>	has the meaning given to it on page 54 of this Base Prospectus.
<b>Due for Payment</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Due for Payment Date</b>	means any of the dates pursuant to the definition of Due for Payment.
<b>Early Redemption Amount</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>EEA</b>	has the meaning given to it on page 4 of this Base Prospectus.
<b>Eligibility Criteria</b>	has the meaning given to it on page 128 of this Base Prospectus.
<b>Eligible Investor</b>	means (i) a bank or insurance company incorporated under the laws of Switzerland and regulated by the FINMA, (ii) the Swiss National Bank and/or its Swiss affiliates that are financial institutions, (iii) the Assignor or (iv) any other Person entitled to acquire Assigned Mortgage Claims and/or Transferred Mortgage Certificates under Applicable Law and the relevant Originator's Standard Mortgage Documentation, from time to time.
<b>Eligible Mortgage Claims</b>	means Mortgage Claims that meet all Eligibility Criteria.
<b>Eligible Mortgage Debtor</b>	has the meaning given to it on page 128 of this Base Prospectus.
<b>Eligible Nominee System Provider</b>	means any eligible nominee system provider which: (i) is not CAnb Switzerland; (ii) is incorporated in Switzerland; (iii) is a duly licensed bank under the FBA or a duly licensed central securities depository or similar institution regulated by the FMIA which is, as such, subject to the provisions regarding the segregation ( <i>distraction</i> ) of custody assets pursuant to Art. 16 and 37d FBA; (iv) is authorised to act as administrative fiduciary ( <i>fiduciaire</i> ) for Paperless Mortgage Certificates and carry out any other activities necessary to perform the task of the nominee system provider; (v) agrees to be duly registered in the relevant land register(s) as the creditor of the relevant Paperless Mortgage Certificates; and (vi) undertakes to operate a system allowing for the transfer of fiduciary entitlements among system participants by entering into, <i>inter alia</i> , agreements substantially on the same terms as the Nominee Participant Agreement, the Paperless MC Custody Agreements and other relevant agreements (if any).
<b>Eligible Green Assets</b>	has the meaning given to it on page 105 of this Base Prospectus.
<b>Eligible Property</b>	has the meaning given to it on page 129 of this Base Prospectus.
<b>Eligible SPV</b>	means a special purpose vehicle which (i) has been set up for the purpose of acquiring Mortgage Assets and financing such acquisition of Mortgage Assets through the issuance of negotiable debt instruments or other negotiable securities, (ii) is fully legally and beneficially owned by one or several Persons domiciled in Switzerland, (iii) is approved by the Board of Directors, (iv) has received the relevant tax rulings indicating that no Swiss federal withholding tax, Swiss federal issuance stamp tax and Swiss federal and cantonal and communal source income tax on interest payments secured by real property located in Switzerland will be payable in relation to the entering into Securitisation Transactions, and (v) is approved by the FINMA to enter into Securitisation Transactions as contemplated by the Security Assignment Agreement.
<b>EMIR</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Enforcement Event</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.

<b>Entitlement</b>	means (i) in case of a Physical Mortgage Certificate, title ( <i>propriété</i> ) and indirect original possession ( <i>possession originnaire médiate</i> ) to the relevant Mortgage Certificate safekept by the Collateral Holding Agent; and (ii) in case of a Paperless Mortgage Certificate, Fiduciary Entitlement in respect of the relevant Mortgage Certificate.
<b>EU</b>	means the European Union.
<b>Event of Default</b>	means an Issuer Event of Default or a Guarantor Event of Default.
<b>Excess Cover Pool Assets</b>	means an amount equal to the amount of the Adjusted Aggregate Relevant Mortgage Loan Amount exceeding the aggregate Principal Amount Outstanding of all Series and Tranches of Covered Bonds.
<b>Excluded Scheduled Interest Amounts</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Excluded Scheduled Principal Amounts</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Excluded Swap Termination Amount</b>	means in relation to a Swap Agreement (if any), an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider; or (b) to the relevant Swap Provider following a Swap Ratings Downgrade Event with respect to such Swap Provider.
<b>Extended Due for Payment Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Extension Determination Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Extraordinary Resolution</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>FATCA</b>	has the meaning given to it on page 52 of this Base Prospectus.
<b>FBA</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>FFIs</b>	has the meaning given to it on page 52 of this Base Prospectus.
<b>Fiduciary Entitlement</b>	means any and all fiduciary entitlements ( <i>droits fiduciaires</i> ) the Guarantor has against the Collateral Holding Agent as fiduciary ( <i>gestionnaire fiduciaire de la cédule</i> ) with respect to a Paperless Mortgage Certificate for which the Collateral Holding Agent is registered as creditor in the relevant Land Register(s) in its own name but on behalf of the Guarantor (including, but not limited to, the right to request that the Guarantor be inscribed as creditor of the relevant Paperless Mortgage Certificate in the relevant Land Register(s)).
<b>Final Maturity Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Final Redemption Amount</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Final Redemption Date</b>	means, in relation to any Series of Covered Bonds, the final redemption date given in the Applicable Final Terms.
<b>Financial Market Infrastructure Act or FMIA</b>	means the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading of 19 June 2015 which entered into force on 1 January 2016 or any similar or successor law applicable to financial institutions such as the Collateral Holding Agent in Switzerland.
<b>FINMA</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>FinSA</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>FinSO</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>First Amended and Restated Master Definitions Schedule</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>First Issue Date</b>	means the date on which the Issuer issues a Series of Covered Bonds for the first time pursuant to the Programme.
<b>FISA</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Fitch</b>	has the meaning given to it on page 1 of this Base Prospectus.
<b>Fitch Long-Term Issuer Default Rating</b>	means in respect of any entity, the long-term issuer default rating assigned to such entity by Fitch or any equivalent long-term rating which may be assigned by Fitch in the future.
<b>Fitch Short-Term Issuer Default Rating</b>	means in respect of any entity, the short-term issuer default rating assigned to such entity by Fitch or any equivalent short-term rating which may be assigned by Fitch in the future.
<b>Fixed Rate Mortgage Claims</b>	means each Mortgage Claim under a Mortgage Credit Agreement where the interest rate is fixed for the entire term of the Relevant Mortgage Loan.
<b>Floating Rate Mortgage Claims</b>	means each Mortgage Claim under a Mortgage Credit Agreement where the interest rate is fully or partially variable based on a benchmark rate.
<b>FMIA</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>FSMA</b>	means the Financial Services and Markets Act 2000.
<b>GED Guarantee Activation Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>General Bank Account</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>General Conditions</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>General Custody Account</b>	has the meaning given to it on page 141 of this Base Prospectus
<b>General Indemnity Pre-funding Notice</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>General Indemnity Recourse Notice</b>	has the meaning given to it on page 127 of this Base Prospectus
<b>General Meeting of Shareholders</b>	has the meaning given to it on page 114 of this Base Prospectus.
<b>General Recourse and Indemnity Obligation</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>General Recourse and Indemnity Pre-funding Obligation</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Governmental Authority</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Grace Period</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Green Bond Framework</b>	has the meaning given to it on page 105 of this Base Prospectus
<b>Green Bond Principles</b>	has the meaning given to it on page 105 of this Base Prospectus.
<b>Green Covered Bonds</b>	has the meaning given to it on page 105 of this Base Prospectus.
<b>Guarantee</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>Guarantee Activation Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Activation Notice</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Expenses</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Extension Table</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Guarantee Fee</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Mandate Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Mandate Pre-funding Obligation</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Pre-funding Notice</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Pre-funding Obligation</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Priority of Payments</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Recourse and Indemnity Obligation</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantee Recourse Notice</b>	has the meaning given to it on page 125 of this Base Prospectus.
<b>Guaranteed Amounts</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantor</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantor Acceleration Notice</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantor Bank Account</b>	means the General Bank Account, the General Custody Account, the Cover Pool Bank Account, the Cover Pool Custody Account and any additional or replacement account designated as a Guarantor Bank Account by the Guarantor (excluding, for the avoidance of doubt, the Guarantor Share Capital Bank Account and the Safe Deposit Box).
<b>Guarantor Event of Default</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantor Liquidation Event</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Guarantor Paperless MC Custody Account</b>	means the custody account for Paperless Mortgage Certificates, which is maintained by CAnb Switzerland in the name and on behalf of the Guarantor
<b>Guarantor Payment Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Guarantor Payment Period</b>	means the period from (and including) a Guarantor Payment Date to (but excluding) the immediately succeeding Guarantor Payment Date with the first Guarantor Payment Period commencing on the first Issue Date.
<b>Guarantor Physical MC Custody Account</b>	means the custody account for Physical Mortgage Certificates, which is maintained by CAnb Switzerland in the name and on behalf of the Guarantor
<b>Guarantor Profit Amount Ledger</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Guarantor Profit Ledger Balance</b>	means, from time to time, the reserve standing to the credit of the Guarantor Profit Amount Ledger.
<b>Guarantor Share Capital Bank Account</b>	means the account, denominated in CHF in the name of the Guarantor pursuant to the Account Agreement between the Account Bank and the Guarantor dated on or about the Programme Closing Date.

<b>Guarantor Spread Amount</b>	means an amount equal to two basis points per annum, calculated on an act/360 basis on the weighted average amount of Covered Bonds issued in the relevant month.
<b>H1 2023 CANb Switzerland Interim Report</b>	has the meaning given to it on page 54 of this Base Prospectus.
<b>Higher Ranking Creditors</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>IED Guarantee Activation Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>IGA</b>	has the meaning given to it on page 52 of this Base Prospectus.
<b>Income Receipts</b>	means payments of interest (excluding accrued interest and interest in arrears as at the relevant Transfer Date or Retransfer Date of a Assigned Mortgage Claim) and other fees due from time to time under the Relevant Mortgage Loans other than the Principal Receipts.
<b>Increased Corporate Service Provider Or Cash Manager Expenses</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Increased Services Provider Expenses</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Increased Services Provider Expenses Pre-funding Notice</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Increased Services Provider Expenses Pre-funding Obligation</b>	has the meaning given on page 136 of this Base Prospectus.
<b>Increased Services Provider Expenses Recourse and Indemnity Obligation</b>	has the meaning given to it on page 136 of this Base Prospectus.
<b>Increased Services Provider Expenses Recourse Notice</b>	has the meaning given to it on page 136 of this Base Prospectus.
<b>Independent Directors</b>	has the meaning given to it on page 49 of this Base Prospectus.
<b>Initial Asset Monitor</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Initial Cash Manager</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Initial Collateral Holding Agent</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Initial Corporate Services Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Initial Swap Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Initial Third Party Services Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Insolvency Event</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Insolvency Proceedings</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Instruction of the Extension of the Guarantee</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Intercreditor Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Interest Accumulation Ledger</b>	means the interest accumulation ledger opened and maintained in the books of the Guarantor in respect of the Cover Pool Bank Account for each Accumulation Series of Covered Bonds by the Corporate Services Provider upon instruction of the Cash Manager upon the occurrence of an IED Guarantee Activation Date pursuant to the Cash Management Agreement.
<b>Interest Commencement Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Interest Coverage Test</b>	means an interest coverage test carried out as described on page 158 of this Base Prospectus.

<b>Interest in Insurance Policy</b>	means (i) any contractual or statutory Security Interest the Guarantor may acquire by operation of law or agreement in any claim payable by an insurance provider under or in connection with an insurance policy covering a Property to the owner of relevant Property, and (ii) any right of the Guarantor to consent to a payment under an insurance policy relating to a Property pursuant to article 822 CC.
<b>Interest Payment Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Intermediary</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Investment Manager Report</b>	means the report prepared by the Cash Manager and made available to the Guarantor, the Trustee and the Rating Agency substantially in the form set out in the Cash Management Agreement.
<b>Investor</b>	has the meaning given to it on page 3 of this Base Prospectus.
<b>Investor Report</b>	has the meaning given to it on page 139 of this Base Prospectus.
<b>IRS</b>	has the meaning given to it on page 52 of this Base Prospectus.
<b>ISDA Master Agreement</b>	means the 1992 ISDA Master Agreement (Multicurrency – Cross Border), as published by ISDA.
<b>Issue</b>	means the issue and purchase of Covered Bonds pursuant to and in accordance with the Programme Agreement or any other agreement between the Issuer and the relevant Dealer(s) in respect of an Issue Date.
<b>Issue Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Issue Price</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Issuer</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Issuer Default Notice</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Issuer Event of Default</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Joint Liability</b>	means any joint liability of each of the Issuer and the Guarantor for fees, commissions and expenses payable provided for in the Agency Agreement and the Trust Agreement.
<b>Land Register</b>	means the Swiss land register according to article 942 et seq. CC.
<b>Lead Manager</b>	means, in relation to any Tranche of Covered Bonds, the person named as the Lead Manager in the applicable Subscription Agreement or, when only one Dealer signs such Subscription Agreement, such Dealer.
<b>Ledgers</b>	means the Liquidity Reserve Fund Ledger together with the General Ledger, the Guarantor Profit Amount Ledger, the General Investments Ledger, the Cover Pool General Ledger, the Cover Pool Investments Ledger, the Interest Accumulation Ledger and, if relevant, the Swap Cash Collateral General Ledger, the Swap Collateral General Ledger.
<b>Lex Koller</b>	means the Swiss Federal Act on Acquisition of Real Estate by Non-Residents of Switzerland ( <i>Loi fédérale sur l'acquisition d'immeubles par des personnes à l'étranger</i> ) of 16 December 1983.
<b>Liabilities</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).



<b>Liquidity Reserve Fund</b>	means the reserve fund that the Guarantor will be required to establish following the occurrence of a Liquidity Reserve Trigger Event.
<b>Liquidity Reserve Fund Ledger</b>	means the ledger against which are recorded debits and credits in respect of the Liquidity Reserve Fund.
<b>Liquidity Reserve Fund Required Amount</b>	is zero if a Liquidity Reserve Trigger Event has not occurred. If a Liquidity Reserve Trigger Event has occurred, the Liquidity Reserve Fund Required Amount will be determined on each Test Date and will be equal to the aggregate amount of (i) items (a) (i) to (iv) of the Pre-Guarantee Priority of Payments which will become due on or before each of the next three following Guarantor Payment Dates, and (ii) the aggregate amount of all interest payments which will become due under the Swaps or, in case Covered Bond Swaps have not been entered into in respect of one or more Series of Covered Bonds, the aggregate amount of all interest payments due under the relevant Series of Covered Bonds on or before each of the next three following Guarantor Payment Dates.
<b>Liquidity Reserve Trigger Event</b>	has the meaning given to it on page 12 of this Base Prospectus.
<b>List of Transferred Mortgage Assets</b>	means the list of Transferred Mortgage Assets delivered pursuant to the Security Assignment Agreement.
<b>listed</b>	has the meaning given to it on page 1 of this Base Prospectus.
<b>Listing Agent</b>	means, in relation to any Covered Bonds which are, or are to be, listed, quoted and/or traded on or by a Stock Exchange, the listing agent appointed by the Issuer from time to time for the purposes of liaising with that Stock Exchange.
<b>Liquidation Date</b>	has the meaning given to it on page 118 of this Base Prospectus.
<b>LTV</b>	has the meaning given to it on page 129 of this Base Prospectus.
<b>Margin</b>	has the meaning given to it on page 140 of this Base Prospectus.
<b>Master Bank Account Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Master Definitions Schedule</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>MCAA</b>	has the meaning given to it on page 181 of this Base Prospectus.
<b>Meetings</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Merger Act</b>	means Swiss Federal Act on Merger, Demerger, Conversion and Transfer of Assets of 3 October 2003.
<b>Minimum Account Bank Rating</b>	means, in respect of the Account Bank, <i>either</i> a short-term deposit rating of 'F1' by Fitch <i>or</i> long-term deposit rating of 'A' by Fitch. If no deposit rating is available, then <b>Minimum Account Bank Rating</b> shall mean <i>either</i> a Fitch Short-Term Issuer Default Rating of 'F1' <i>or</i> a Fitch Long-Term Issuer Default Rating of 'A'. The Minimum Account Bank Rating is subject to change pursuant to the Rating Agency Condition.
<b>Minimum Mortgage Interest Rate</b>	has the meaning given to it on page 140 of this Base Prospectus.

<b>Minimum Value of Assigned Mortgage Claims</b>	means the amount of Assigned Mortgage Claims required to pass together with the other Cover Pool Assets the Asset Coverage Test on the preceding Cut-off Date or any later date, which amount shall take into account the retransfer of Excess Cover Pool Assets in the form of Substitute Assets as per the most recent Test Date and any transfer of Substitute Assets since the date on which the Asset Cover Pool Test had to be passed, as evidenced on the respective Cover Pool Report
<b>Moody's</b>	means Moody's Investors Service Limited or any successor to its rating business.
<b>Mortgage Assets</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Mortgage Certificate</b>	means a mortgage certificate ( <i>cédule hypothécaire</i> ) pursuant to articles 842 et seq. CC, which may be in the form of a Physical Mortgage Certificate or a Paperless Mortgage Certificate.
<b>Mortgage Certificate Claim</b>	means the claim represented by the relevant Mortgage Certificate.
<b>Mortgage Certificate Enforcement Proceeds</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Mortgage Certificate Excess Enforcement Proceeds</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Mortgage Certificate Payments</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Mortgage Claims</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Mortgage Credit Agreement</b>	means a <i>Contrat de prêt hypothécaire</i> (or a translation thereof) entered into between the Originator and the relevant Mortgage Debtor, which formalizes all the terms and conditions of the credit, the associated securities and the proposed pricing (fixed, floating or mixed rates), including any amendment to such contract documenting, from time to time, any change to any of its terms and conditions.
<b>Mortgage Debtor</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Mortgage Loan Expenses</b>	means in relation to a Related Mortgage Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any interest in arrears).
<b>Mortgage Payments</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Mortgage Product</b>	means a mortgage product, the terms and conditions of which have been formalized in a Mortgage Credit Agreement;
<b>Mortgage Security</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>NA</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Negative Carry Factor</b>	has the meaning given to it on page 157 of this Base Prospectus.
<b>New Dealer</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>New Relevant Creditor</b>	means any person which becomes a Relevant Creditor (other than a Covered Bondholder) pursuant to, and in accordance with, the Intercreditor Agreement by entering into an Accession Undertaking or an Intercreditor Agreement Supplement
<b>Nominal Amount</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>Nominee</b>	has the meaning given to it in Clause 18(b) ( <i>Calculation Agent</i> ) of the Programme Agreement.
<b>Nominee System Provider</b>	means SIX SIS or any other Eligible Nominee System Provider duly retained by the Assignee in accordance with the Security Assignment Agreement.
<b>Non-Related Ancillary Rights</b>	means: <ul style="list-style-type: none"> <li>(a) any pledges serving as security for a Mortgage Claim assigned to the Assignee (including but not limited to pledges created under the General Conditions of the Assignor and pledges of life insurance policies, claims in second or third pillar pension fund schemes);</li> <li>(b) any and all statutory and contractual retention rights (<i>droits de rétention</i>) and similar rights, whether they are obligatory rights or rights in rem, which serve as a security for a Mortgage Claim that is assigned to the Assignee; and</li> <li>(c) any and all sureties/surety bonds (<i>cautionnements</i>) and similar security undertakings serving as security for a Mortgage Claim that is assigned to the Assignee.</li> </ul>
<b>Non-Restructuring Protective Measures</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Non Transferred Mortgage Loan</b>	means each Mortgage Credit Agreement with a Mortgage Debtor under which no claim has been assigned to the Guarantor.
<b>Notice</b>	means, in respect of notice to be given to Covered Bondholders, a notice validly given pursuant to Condition 12 ( <i>Notices</i> ).
<b>Notice to Pay</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Notification Event</b>	has the meaning given to it on page 131 of this Base Prospectus.
<b>Offeror</b>	has the meaning given to it on page 3 of this Base Prospectus.
<b>Optional Redemption Amount</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Optional Redemption Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Original Due for Payment Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Original Agency Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Original Master Bank Account Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Original Master Definitions Schedule</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Original Programme Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Originator</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Originator's Standard Mortgage Documentation</b>	means (i) any Mortgage Credit Agreement, (ii) any Security Transfer Agreement and (iii) any General Terms and Conditions.
<b>Outstanding or outstanding</b>	means, in relation to the Covered Bonds of all or any Series, all the Covered Bonds of such Series issued other than: <ul style="list-style-type: none"> <li>(a) those Covered Bonds which have been redeemed pursuant the Conditions;</li> </ul>

- (b) those Covered Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relative Covered Bondholders in accordance with Condition 12 (*Notices*)) and remain available for payment of the relevant Covered Bonds;
- (c) those Covered Bonds which have been purchased and cancelled in accordance with Conditions 6.6 (*Redemption and Purchase – Purchases*) and 6.7 (*Redemption and Purchase – Cancellation*); and
- (d) those Covered Bonds which have become void or in respect of which claims have become prescribed, in each case under Condition 9 (*Prescription*).

**Paperless Mortgage Certificate**

has the meaning given to it in Condition 19 (*Definitions*).

**Parties**

means the parties to the relevant Transaction Document, each being a **Party**.

**Paying Agents**

means, in relation to all or any Series of the Covered Bonds, the several institutions (including, where the context permits, the Principal Paying Agent and any additional Paying Agents as and when appointed) at their respective specified offices initially appointed as paying agents in relation to such Covered Bonds by the Issuer and the Guarantor pursuant to the Agency Agreement (and in the case of any additional Paying Agents, pursuant to the Supplemental Agency Agreement (if any)) and/or, if applicable, any Successor paying agents at their respective specified offices in relation to all or any Series of the Covered Bonds pursuant to the Agency Agreement and/or a Supplemental Agency Agreement (if any).

**Payment Day**

has the meaning given to it in Condition 19 (*Definitions*).

**Payment Due Date**

has the meaning given to it in Annex A (*Definitions*) to the Guarantee.

**Person**

has the meaning given to it in Condition 19 (*Definitions*).

**Physical Bearer Mortgage Certificate**

has the meaning given to it in Condition 19 (*Definitions*).

**Physical Mortgage Certificate**

has the meaning given to it in Condition 19 (*Definitions*).

**Physical Registered Mortgage Certificate**

has the meaning given to it in Condition 19 (*Definitions*).

**Post-Insolvency Priority of Payments**

has the meaning given to it on page 160 of this Base Prospectus.

**Pre-Event Tests**

has the meaning given to it in Condition 19 (*Definitions*).

**Pre-Event Test Date**

means the third Friday of each calendar month or if such day is not a Business Day, the immediately following Business Day or such other day as agreed by the parties to the Security Assignment Agreement.

**Pre-funding Claim**

means each claim under a Pre-funding Obligation.

**Pre-funding Notice**

has the meaning given to it in Annex A (*Definitions*) to the Guarantee.

<b>Pre-funding Obligations</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Pre-Guarantee Priority of Payments</b>	has the meaning given to it on page 160 of this Base Prospectus.
<b>Premium</b>	means any amount payable to or by the Guarantor with a view to inducing the Guarantor or the relevant Replacement Swap Provider to enter into a Swap on commercial terms similar to those of an early terminated Swap (if any).
<b>Prescribed Cash Limit</b>	means 15 per cent.
<b>Principal Amount Outstanding</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Principal Paying Agent</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Principal Receipts</b>	means: <ul style="list-style-type: none"> <li>(a) principal repayments under the Relevant Mortgage Loans (including Mortgage Loan Expenses and Arrears);</li> <li>(b) recoveries of interest or principal under the Relevant Mortgage Loans being enforced (including the proceeds of sale of the relevant Property);</li> <li>(c) any payment pursuant to any insurance policy in respect of a Property in connection with a Relevant Mortgage Loan in the Cover Pool;</li> <li>(d) any cash proceeds received by the Guarantor from the Assignor in respect of any re-transfer of an Affected Mortgage Asset pursuant to the Security Assignment Agreement; and</li> <li>(e) other amounts received by the Guarantor or the Originator as the case may be in respect of the Relevant Mortgage Loans other than Income Receipts.</li> </ul>
<b>Priorities of Payments</b>	has the meaning given to it on page 160 of this Base Prospectus.
<b>Priority of Payments</b>	has the meaning given to it on page 160 of this Base Prospectus.
<b>Priority Security Rights</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Pro Rata Property Value</b>	means the Current Balance of a Relevant Mortgage Loan divided by the LTV, where the LTV is expressed as a percentage.
<b>Pro Rata Share Other Creditors</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Programme</b>	has the meaning given to it on page 1 of this Base Prospectus.
<b>Programme Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Programme Closing Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Property</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Prospectus</b>	has the meaning given to it on page 1 of this Base Prospectus.
<b>Prospectus Regulation</b>	has the meaning given to it on page 4 of this Base Prospectus.
<b>Protective Measures</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>Rate(s) of Interest</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Rating Agency</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Rating Agency Condition</b>	means a confirmation in writing by the Rating Agency that the then current ratings of the Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant event or matter, provided that if: (a) a confirmation or affirmation of rating or other response by the Rating Agency is a condition to any action or step under any Transaction Document; and (b) a written request for such confirmation, affirmation or response is delivered to the Rating Agency by any of the Guarantor, the Issuer or the Trustee, as applicable (each a <b>Requesting Party</b> ) and the Rating Agency indicates that it does not consider such confirmation or response necessary in the circumstances, the Requesting Party shall be entitled to assume that the then current ratings of the Covered Bonds in issue will not be downgraded or withdrawn by the Rating Agency as a result of such action or step.
<b>Rating Agency Modification</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Ratings Modification</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Reassigned Mortgage Claims</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Recourse and Indemnity Obligations</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Recourse Claim</b>	means a claim under a Recourse and Indemnity Obligation.
<b>Recourse Notice</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Reference Rate</b>	has the meaning given to it on page 140 this Base Prospectus.
<b>Registration Event</b>	means the occurrence of any of the following events (unless all Independent Directors in office at that time notify the Collateral Holding Agent in writing within two (2) Business Days after receipt of a notice by the Guarantor that a Registration Event shall not be deemed to have occurred: <ul style="list-style-type: none"> <li>(a) The Collateral Holding Agent fails to maintain its status as a licensed bank under the FBA or a duly licensed central securities depository or similar institution regulated by the Financial Market Infrastructure Act which is, as such, subject to the provisions regarding the segregation (<i>distraction</i>) of custody assets pursuant to Art. 16 and 37d FBA.</li> <li>(b) An Insolvency Event occurs in relation to the Collateral Holding Agent.</li> </ul>
<b>Regulation S</b>	means Regulation S under the Securities Act.
<b>Regulatory Event</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Related Ancillary Rights</b>	means any and all Ancillary Rights associated with Assigned Mortgage Claims other than (i) Non-Related Ancillary Rights and (ii) Priority Security Rights.
<b>Related Mortgage Certificates</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Related Paperless Mortgage Certificates</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Related Physical Mortgage Certificates</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).

<b>Related Security Transfer Agreement</b>	has the meaning given to it on page 125 of this Base Prospectus.
<b>Relevant Creditor</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>relevant Dealer(s)</b>	has the meaning given to it on page 1 of this Base Prospectus.
<b>Relevant Mortgage Loan</b>	means each Mortgage Credit Agreement with a Mortgage Debtor, the claims under which the Assignor has assigned to the Guarantor pursuant to the Security Assignment Agreement.
<b>Relevant Payment Date</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Replacement Account Bank</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Asset Monitor</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Cash Manager</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Collateral Holding Agent</b>	means any successor Collateral Holding Agent designated in accordance the Collateral Holding Agreement.
<b>Replacement Corporate Services Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Cover Pool Swap Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Covered Bond Swap Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Servicer</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Servicer Agreement</b>	means any replacement servicer agreement in accordance with the Security Assignment Agreement.
<b>Replacement Servicer Fee</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Replacement Swap Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Replacement Third Party Services Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Repo Transaction</b>	has the meaning given to it on page 133 of this Base Prospectus.
<b>Required Sale Amount</b>	has the meaning given to it on page 122 of this Base Prospectus.
<b>Requisite Percentage</b>	means the percentage of Covered Bondholders required to pass an Extraordinary Resolution as determined in accordance with the Bondholder Provisions.
<b>Reservations</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Restructuring Proceedings</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Restructuring Protective Measures</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Retransfer Date</b>	means the means the third Thursday of each calendar month, or if such day is not a Business Day, the immediately following Business Day, or such other date as the relevant parties shall agree, as specified in a Retransfer Deed on which a retransfer of Mortgage Assets is designated to take effect.
<b>Retransfer Deed</b>	means any retransfer deed substantially in the form set out in Annex 4 of of the Security Assignment Agreement.
<b>Retransferred Mortgage Certificates</b>	means any and all Mortgage Certificates Entitlement to which has been retransferred to the Originator or any third party designated by the Guarantor from time to time.

<b>Revenue Receipts</b>	has the meaning given to it on page 158 of this Base Prospectus.
<b>S&amp;P</b>	means Standard & Poor's Credit Market Services Europe Limited or any successor to its rating business.
<b>Schedule</b>	means a schedule to the relevant Transaction Document.
<b>Schedule Of Authorised Signatories</b>	means any schedule of authorised signatories in relation to a Guarantor Bank Account (including the Account Bank's form " <i>Specimen Signatures of the company</i> " and similar forms) duly agreed by the parties to the relevant Account Agreement.
<b>Scheduled Interest</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Scheduled Payment Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Scheduled Principal</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Second Amended and Restated Master Definitions Schedule</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Second Party Opinion</b>	has the meaning given to it on page 105 of this Base Prospectus
<b>Secured Obligations</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>securities act</b>	has the meaning given to it on page 5 of this Base Prospectus.
<b>Securitisation Transaction</b>	has the meaning given to it on page 133 of this Base Prospectus.
<b>Security Assignment Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Security Interests</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Security Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Security Transfer Agreement</b>	means a Security Transfer Agreement for Physical Mortgage Certificates and a Security Transfer Agreement for Paperless Mortgage Certificates, as the case may be.
<b>Security Transfer Agreement for Paperless Mortgage Certificates</b>	means: (i) each agreement " <i>convention de remise de garantie</i> " providing for the outright transfer of Paperless Mortgage Certificates as security for a Mortgage Claim used by the Assignor; and (ii) the Security Transfer Part of any Mortgage Credit Agreement; and (iii) upon approval by the Guarantor of the relevant standard form, any similar agreement entered into between an Originator and the relevant Security Provider and/or the relevant Mortgage Debtor.
<b>Security Transfer Agreement for Physical Mortgage Certificates</b>	means: (i) each agreement " <i>convention de remise de garantie</i> " providing for the outright transfer of Physical Mortgage Certificates serving as security for a Mortgage Claim used by the Assignor; and (ii) the Security Transfer Part of any Mortgage Credit Agreement; and (iii) upon approval by the Guarantor of the relevant standard form, any similar agreement entered into between an Originator and the relevant Security Provider and/or the relevant Mortgage Debtor.
<b>Security Transfer Part</b>	means clause XIV ( <i>transferabilité des crédits et renunciation auf secret bancaire</i> ) of each Mortgage Credit Agreement (or similar provisions or translations thereof)



	providing for a transfer of Mortgage Certificates and security agreements.
<b>Series</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Serviced Mortgage Assets</b>	means, from time to time, (i) any and all Assigned Mortgage Claims, (ii) any and all Transferred Mortgage Certificates and (iii) any and all Interests in Insurance Policies.
<b>Servicer</b>	has the meaning given to it on page 15 of this Base Prospectus.
<b>Servicer Downgrade Event</b>	means a downgrade of the Fitch Long-Term Issuer Default Rating of the Servicer to below 'BBB-'.
<b>Servicing Standards</b>	has the meaning given to it on page 137 of this Base Prospectus.
<b>Servicing Termination Event</b>	means the occurrence of any of the following events: <ul style="list-style-type: none"> <li>(a) breach of the representations and warranties made by the Assignor under Clause 13.1.1(b) (<i>Representations and Warranties of the Assignor – General Representations and Warranties</i>) of the Security Assignment Agreement;</li> <li>(b) default is made by the Assignor in the transfer, deposit or payment of any amount due by the Assignor under this Agreement and such default continues unremedied for a period of ten Business Days after the earlier of the Assignor becoming aware of such default and receipt by the Assignor of written notice from the Assignee or the Trustee requiring the same to be remedied;</li> <li>(c) default is made by the Assignor in the performance or observance of its obligations under Clause 11 (<i>Servicing of Serviced Mortgage Assets</i>) of the Security Assignment Agreement and such default continues unremedied for a period of ten Business Days after the earlier of the Assignor becoming aware of such default and receipt by the Assignor of written notice from the Assignee or the Trustee requiring the same to be remedied;</li> <li>(d) default is made by the Assignor in the performance or observance of any of its other covenants and obligations under this Agreement or the other Transaction Documents, which in the opinion of the Assignee is materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of thirty days after the earlier of the Assignor becoming aware of such default and receipt by the Assignor of written notice from the Assignee requiring the same to be remedied;</li> <li>(e) an Insolvency Event occurs in respect of the Assignor;</li> <li>(f) default is made by the Assignor in the obtaining or continued maintenance of any licence, approval, registration, authorization or consent which is necessary in connection with the performance or observance of any obligation under this Agreement; or</li> </ul>

	(g) the Assignor's Fitch Long-Term Issuer Default Rating is downgraded below 'BBB-',
<b>Shareholder</b>	means each shareholder of the Guarantor.
<b>Shareholders Agreement</b>	has the meaning given to it on page 117 of this Base Prospectus.
<b>Shortfall</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>SIC</b>	means Swiss Interbank Clearing system.
<b>SIX Listing Rules</b>	has the meaning given to it on page 2 of this Base Prospectus.
<b>SIX SIS</b>	has the meaning given to it on page 19 of this Base Prospectus.
<b>SIX Swiss Exchange</b>	has the meaning given to it on page 1 of this Base Prospectus.
<b>SPE</b>	has the meaning given to it on page 49 of this Base Prospectus.
<b>SPE Covenants</b>	has the meaning given to it on page 49 of this Base Prospectus.
<b>Specified Currency</b>	has the meaning given to it on page 16 of this Base Prospectus.
<b>Specified Denomination(s)</b>	has the meaning given to it in the Applicable Final Terms.
<b>Specified Interest Payment Date</b>	has the meaning given to it in the Applicable Final Terms.
<b>Spot Rate</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Stock Exchange</b>	means the SIX Swiss Exchange or any other or further stock exchange(s) on which any Covered Bonds may from time to time be listed or admitted to trading and references to the <b>Relevant Stock Exchange</b> shall, in relation to any Covered Bonds, be references to the Stock Exchange on which such Covered Bonds are, from time to time, or are intended to be, listed or admitted to trading.
<b>Subscription Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Subsidiary</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Substitute Assets</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Substitution Event</b>	means in relation to a Mortgage Asset the occurrence of one or several of the following events: <ul style="list-style-type: none"> <li>(a) non-compliance of a Mortgage Asset or a Relevant Mortgage Loan with any of the Eligibility Criteria;</li> <li>(b) breach of any of the representations and warranties given by the Assignor in Clause 13.1.2 (<i>Representations and Warranties regarding the Mortgage Credit Agreements and the Related Security Transfer Agreements</i>) and 13.1.3 (<i>Representations and Warranties regarding the Mortgage Assets</i>) of the Security Assignment Agreement in relation to an Assigned Mortgage Claim, a Transferred Mortgage Certificate or a relevant Mortgage Credit Agreement or Security Transfer Agreement, provided that the Assignor has been notified in writing by the Assignee prior</li> </ul>

	to the relevant Test Date that such breach of representations and warranties has occurred;
	(c) full or partial invalidity, which has been credibly alleged, of (i) an Assigned Mortgage Claim, (ii) a Transferred Mortgage Certificate, (iii) the relevant Mortgage Credit Agreement and/or (iv) the relevant Security Transfer Agreement.
<b>Sub-unit</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Successor</b>	means, in relation to the Principal Paying Agent, the other Paying Agents and the Calculation Agent, any successor to any one or more of them in relation to the Covered Bonds which shall become such pursuant to the provisions of the Trust Agreement and/or the Agency Agreement (as the case may be) and/or such other or further principal paying agent, paying agents and calculation agent (as the case may be) in relation to the Covered Bonds as may (with the prior approval of, and on terms previously approved by, the Trustee in writing (such approval not to be unreasonably withheld or delayed)) from time to time be appointed as such, and/or, if applicable, such other or further specified offices (in the case of the Principal Paying Agent being within the same city as those for which they are substituted) as may from time to time be nominated, in each case by the Issuer and the Guarantor, and (except in the case of the initial appointments and specified offices made under and specified in the Conditions and/or the Agency Agreement, as the case may be) notice of whose appointment or, as the case may be, nomination has been given to the Covered Bondholders.
<b>Successor Trustee</b>	means any Successor Trustee appointed pursuant to the Trust Agreement.
<b>Swap</b>	means a Cover Pool Swap or a Covered Bond Swap (if any).
<b>Swap Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Swap Collateral</b>	means, at any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by a Swap Provider to the Guarantor as collateral to secure the performance by such Swap Provider of its obligations under the relevant Swap Agreement (if any) together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed.
<b>Swap Collateral Available Amounts</b>	means, at any time, any amount of Swap Collateral which under the terms of the relevant Swap Agreement (if any) may be applied at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor to the extent that such obligations relate to payments to be made in connection with the relevant Priority of Payments.
<b>Swap Collateral Bank Account</b>	means any bank account governed by English law to be opened in order to post cash Swap Collateral, with an institution located in England: <ul style="list-style-type: none"> <li>(a) which has a Minimum Account Bank Rating; and</li> <li>(b) which is an English bank, or the English branch of a foreign bank, and is authorised and regulated by the U.K. Financial Conduct Authority.</li> </ul>

<b>Swap Collateral Custody Account</b>	means any bank account governed by English law to be opened in order to post non-cash Swap Collateral, with an institution located in England: <ul style="list-style-type: none"> <li>(a) which has a Minimum Account Bank Rating; and</li> <li>(b) which is an English bank, or the English branch of a foreign bank, and is authorised and regulated by the U.K. Financial Conduct Authority.</li> </ul>
<b>Swap Collateral Excluded Amounts</b>	means, at any time, any amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement (if any) at that time in satisfaction of the relevant Swap Provider's obligations to the Guarantor.
<b>Swap Early Termination Event</b>	means a Termination Event or Event of Default (each as defined in the relevant Swap Agreement (if any)), including, but not limited to, a Swap Ratings Termination Event.
<b>Swap Payments</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Swap Provider</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Swap Provider Default</b>	means the occurrence of an Event of Default or Termination Event (each as defined in the relevant Swap Agreement (if any)) where the relevant Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in the relevant Swap Agreement (if any)), as applicable, including, but not limited to, a Swap Ratings Termination Event.
<b>Swap Ratings Downgrade Event</b>	means the downgrade of the relevant rating(s) of a Swap Provider or its guarantor (as applicable) by the Rating Agency below the rating(s) specified in the relevant Swap Agreement (if any).
<b>Swap Ratings Termination Event</b>	means, upon the occurrence of a Swap Ratings Downgrade Event with respect to a Swap Provider, the failure of the Swap Provider to comply with the requirements of the applicable ratings downgrade provisions contained in the Swap Agreement (if any).
<b>Swap Required Amount</b>	has the meaning given to it on page 122 of this Base Prospectus.
<b>Swap Termination Payment</b>	means the Nominal Amount of any and all sums paid or payable to or by the Guarantor to or by any incoming or outgoing Swap Provider as Premium or Termination Amount under any Swap Agreement (if any).
<b>Swap Termination Payment Pre-funding Obligation</b>	has the meaning given to it on page 126 of this Base Prospectus.
<b>Swap Termination Payment Pre-funding Notice</b>	has the meaning given to it on page 126 of this Base Prospectus.
<b>Swap Termination Payment Recourse and Indemnity Obligation</b>	has the meaning given to it on page 126 of this Base Prospectus.
<b>Swap Termination Payment Recourse Notice</b>	has the meaning given to it on page 126 of this Base Prospectus.
<b>Swiss Code of Best Practice for Corporate Governance</b>	means the Swiss Code of Best Practice for Corporate Governance published by economiesuisse and first introduced in 2002.
<b>Swiss Corporate Income Tax</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.

<b>Swiss GAAP</b>	means the accounting principles applicable to Swiss corporations under the CO.
<b>Swiss Federal Withholding Tax</b>	means the Swiss withholding tax under the Swiss Federal Withholding Tax Act of 13 October 1965 ( <i>Loi fédérale du 13 octobre 1965 sur l'impôt anticipé</i> ).
<b>Swiss Resolution Authority</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Swiss Resolution Power</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Systems</b>	means the internal IT, accounting and other systems (including hardware, software and documentation) of the Collateral Holding Agent used to record, administer and transfer Transferred Mortgage Certificates.
<b>Tax Authority</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Taxes</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Termination Amount</b>	means any amount payable by or to the Guarantor under a Swap Agreement (if any) pursuant to Section 6 thereof following an early termination of the Cover Pool Swaps and/or Covered Bond Swaps entered into under such Swap Agreement (if any).
<b>Test</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Test Date</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Third Party Services Provider</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Total Liabilities to Relevant Creditor and Pari Passu Creditors</b>	has the meaning given to it in Annex A ( <i>Definitions</i> ) to the Guarantee.
<b>Tranche</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Transaction Documents</b>	means each of: <ul style="list-style-type: none"> <li>a. the Guarantee;</li> <li>b. the Guarantee Mandate Agreement;</li> <li>c. the Security Assignment Agreement;</li> <li>d. the Collateral Holding Agreement;</li> <li>e. the Intercreditor Agreement;</li> <li>f. the Cash Management Agreement;</li> <li>g. any Swap Agreement;</li> <li>h. the Master Bank Account Agreement;</li> <li>i. the Corporate Services Agreement;</li> <li>j. the Trust Agreement;</li> <li>k. the Agency Agreement;</li> <li>l. any Supplemental Agency Agreement (if any);</li> <li>m. the Programme Agreement;</li> <li>n. any Replacement Servicer Agreement;</li> <li>o. the Asset Monitor Agreement;</li> <li>p. the Conditions;</li> <li>q. each set of Applicable Final Terms (as applicable in the case of each issue of listed Covered Bonds subscribed pursuant to a subscription agreement);</li> <li>r. the Master Definitions Schedule;</li> </ul>

	<p>s. each Series and/or Tranche of Covered Bonds;</p> <p>t. each document, agreement or indenture ancillary or supplemental to any of the documents specified in paragraphs (a) to (u) (inclusive) above; and</p> <p>any other agreement or document from time to time designated as such by the Issuer, the Guarantor and the Trustee.</p>
<b>Transfer Date</b>	means the third Thursday of each calendar month, or if such day is not a Business Day, the immediately following Business Day, or such other date as the relevant parties shall agree, or the transfer date as agreed pursuant to clause 2.1(b) or clause 2.1(c) of the Security Assignment Agreement, as specified in a Transfer Deed on which a transfer of Mortgage Assets is designated to take effect.
<b>Transfer Deed</b>	has the meaning given to it on page 129 of this Base Prospectus.
<b>Transfer Reference Date</b>	means a date not more than three Business Days prior to a respective Transfer Date as specified in the relevant Transfer Deed.
<b>Transferred Mortgage Certificates</b>	has the meaning given to it on page 11 of this Base Prospectus.
<b>Transferred Paperless Mortgage Certificate</b>	means any and all Related Paperless Mortgage Certificates the Fiduciary Entitlements to which have been transferred by the Assignor to the Guarantor under the Security Assignment Agreement, from time to time, but excluding Retransferred Mortgage Certificates.
<b>Transferred Physical Mortgage Certificate</b>	means any and all Related Physical Mortgage Certificates transferred by the Assignor to the Guarantor under the Security Assignment Agreement, from time to time, but excluding Retransferred Mortgage Certificates.
<b>Trust Agreement</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Trustee</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Uncertificated Covered Bonds</b>	has the meaning given to it in Condition 19 ( <i>Definitions</i> ).
<b>Undertaking to Provide Additional Cover</b>	has the meaning given to it on page 128 of this Base Prospectus.
<b>VAT</b>	means any ad valorem tax, value-added tax, sales tax, goods and services tax, purchases tax, " <i>taxe sur la valeur ajoutée</i> " or other similar taxes or duties in respect of any payment.
<b>Vault</b>	has the meaning ascribed to it in Clause 3.2.2 ( <i>Place of Storage of Collateral Physical Mortgage Certificates</i> ) of the Collateral Holding Agreement.
<b>Vice-Chairman</b>	means the vice-chairman of the board of directors of the Guarantor.
<b>Zurich Business Day</b>	means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Zurich.

*ISSUER*

**Crédit Agricole next bank (Suisse) SA**  
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CH-1212 Grand-Lancy  
Switzerland

*GUARANTOR*

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*TRUSTEE*

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*To the Guarantor*

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